

# **Exhibit A-1**

A Certified Policy is requested BY MARCIE BELL IMPORTED INTO IR AND EMAILED 10/27/2021

Claim Number: 01-004-000225

Name Insured ADVANCED PLASTERING INC

Policy Number: MPZ9088B

DATE OF LOSS 08/06/2012

Additional Instructions: please send certified policy with all forms and endorsements attached to:  
REQUESTED TERM 10-15 BOTH MP AND CU

Thank you

Needed By: 10/26/2021

The undersigned declares that the attached is a true copy of  
MAIN STREET AMERICA ASSURANCE COMPANY Policy Number MPZ9088B0  
consisting of a total of 102 pages, attached hereto.

10/27/24

Date

Katherine Bonniwell

Signature

Operations Manager

Title

MAIN STREET AMERICA ASSURANCE COMPANY

**Policy Number: MPZ9088B**

Named Insured: ADVANCED PLASTERING INC

Effective Date: 08-06-2010

Agent Name: NORTHEAST AGENCIES INC CL SC

Agent No. 314026

**LIABILITY – OPTIONAL COVERAGES**

**EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE**

**ENDORSEMENT-SUPPLEMENTAL DECLARATIONS**

SEE FORM # BPM D 3107

**EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE**

**ENDORSEMENT**

SEE FORM # BPM 3107PA



**THE  
MAIN  
STREET  
AMERICA  
GROUP**

**Policy Number: MPZ9088B**

**BUSINESSOWNERS COMMON DECLARATIONS**

**MAIN STREET AMERICA ASSURANCE COMPANY**

4601 TOUCHTON ROAD EAST, SUITE 3400, JACKSONVILLE, FL 32245-6000

**Item 1. Named Insured and Mailing Address**

ADVANCED PLASTERING INC  
516 GREEN HILL LN  
EAST NORRISTON PA 19401-1364

**Agent Name and Address**

NORTHEAST AGENCIES INC CL SC

2495 MAIN ST STE 209  
BUFFALO, NY 14214

Agent Phone No. (866) 676-3849

Agent No. 314026

**Item 2. Policy Period**

**From:** 08-06-2010 **To:** 08-06-2011

at 12:01 A.M., Standard Time at your mailing address shown above.

**Item 3. Form of Business: CORPORATION**

**Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.**

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

**COVERAGE**

**PREMIUM**

Section I – Property

\$

Section II – Liability

\$

Inland Marine

NOT APPLICABLE

Total Policy Premium:

\$

For Coverages subject to premium audit: Annual Audit Applies

**Item 5. Form(s) and Endorsement(s) made a part of this policy at time of issue:**

**See Schedule of Forms and Endorsements**

Countersigned:

Date: \_\_\_\_\_

By: \_\_\_\_\_

Authorized Representative

THIS BUSINESSOWNERS COMMON DECLARATIONS AND SUPPLEMENTAL DECLARATION(S), TOGETHER WITH SECTION III – COMMON POLICY CONDITIONS, COVERAGE PARTS, COVERAGE FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

BPM D 1 1207

MAIN STREET AMERICA ASSURANCE COMPANY

**BUSINESSOWNERS**  
**BPM D 3107 1207****Named Insured:** ADVANCED PLASTERING INC  
**Agent Name:** NORTHEAST AGENCIES INC CL SC**Policy Number:** MPZ9088B  
**Effective Date:** 08-06-10  
**Agent No.** 314026**EMPLOYMENT PRACTICES LIABILITY INSURANCE  
COVERAGE ENDORSEMENT - SUPPLEMENTAL DECLARATIONS****NOTICE**

- EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS COVERAGE ENDORSEMENT IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE EPL COVERAGE PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. VARIOUS PROVISIONS IN THIS COVERAGE ENDORSEMENT RESTRICT COVERAGE. PLEASE READ THE ENTIRE COVERAGE ENDORSEMENT CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.
- THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS UNDER THIS COVERAGE ENDORSEMENT SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

|  |                                    |  |
|--|------------------------------------|--|
| <b>EPL Coverage Period:</b>              | From: 08-06-2010<br>To: 08-06-2011 | At 12:01 A.M. Standard Time at your mailing address shown on the Declarations page of this policy  |
| <b>EPL Aggregate Limit of Liability:</b> | \$10,000                           | Aggregate for all "loss" combined, including "defense costs".  |
| <b>EPL Deductible Amount:</b>            | \$5,000                            | For "loss" arising from claims or suits alleging the same "wrongful employment act" or "related wrongful employment acts".   |
| <b>EPL Original Inception Date:</b>      | 07-30-2010                         | (Enter "original inception date".) If no date is shown, "we" will consider the "original inception date" to be the same as the beginning of this coverage endorsement. |

This insurance does not apply to "loss" arising out of a "wrongful employment act" that: (1) commences on or takes place prior to the "original inception date" shown here, or (2) arises out of incidents or circumstance of which "you" had knowledge prior to the "original inception date" shown.

**EPL COVERAGE PREMIUM:**

MAIN STREET AMERICA ASSURANCE COMPANY

Policy Number: MPZ9088B

Named Insured: ADVANCED PLASTERING INC  
 Agent Name: NORTHEAST AGENCIES INC CL SC

Effective Date: 08-06-2010  
 Agent No. 314026

**SECTION I – PROPERTY – DECLARATIONS****PREMISES NO. 1 BUILDING NO. 1****Occupancy:** PLASTERING OR STUCCO -- EXTERIOR -- THREE STORIES OR LESS**Address:** 516 GREEN HILL LN, NORRISTOWN, PA, 19401-1364

| <b>COVERAGE</b>    | <b><u>LIMIT</u></b> | <b><u>VALUATION</u></b> | <b><u>INFLATION GUARD %</u></b> |
|--------------------|---------------------|-------------------------|---------------------------------|
| <b>CONTENTS</b> \$ | 2,000               | REPLACEMENT COST        | 0%                              |

**DEDUCTIBLES:**

|                 |              |
|-----------------|--------------|
| <b>CONTENTS</b> | <b>GLASS</b> |
| \$ 1,000        | \$ 500       |

**Money & Securities:** INCLUDING THEFT**Business Income/ Extra Expense:** INCLUDED

ACTUAL LOSS FOR 12 CONSECUTIVE MONTHS

**Business Income 'Period of Restoration':** IMMEDIATE**Equipment Breakdown Enhancement:** XXXXXXXXXX

MAIN STREET AMERICA ASSURANCE COMPANY

**Policy Number: MPZ9088B**

Named Insured: ADVANCED PLASTERING INC

Effective Date: 08-06-2010

Agent Name: NORTHEAST AGENCIES INC CL SC

Agent No. 314026

**OPTIONAL COVERAGES**

STATE: PA LOC/BLDG: 1/1



MAIN STREET AMERICA ASSURANCE COMPANY

**Policy Number: MPZ9088B**

Named Insured: ADVANCED PLASTERING INC

Effective Date: 08-06-2010

Agent Name: NORTHEAST AGENCIES INC CL SC

Agent No. 314026

**SECTION II – LIABILITY – DECLARATIONS****COVERAGES****LIMITS**

|   |              |
|---|--------------|
| Liability & Medical Expenses – Each Occurrence        | \$ 1,000,000 |
| Personal & Advertising Injury Limit                   | \$ 1,000,000 |
| Damage To Premises Rented To You                      | \$ 1,000,000 |
| Aggregate Limit- Products-Completed Operations        | \$ 2,000,000 |
| Aggregate Limit- Except Products-Completed Operations | \$ 2,000,000 |
| Medical Expense Limit - Per Person                    | \$ 10,000    |

**LIABILITY -- SCHEDULE****STATE:** PA**TERRITORY:** 007**PREMISES NO:** 1/1**CLASS CODE:** 98449**DEDUCTIBLE - PROPERTY DAMAGE LIABILITY:** NONE**CLASSIFICATION:** PLASTERING OR STUCCO -- EXTERIOR -- THREE STORIES OR LESS**PREMIUM BASIS****EXPOSURE****RATE****ADVANCE PREMIUM**

PAYROLL

120,800

\$



**THE  
MAIN  
STREET  
AMERICA  
GROUP**

**Policy Number: MPZ9088B**

**SCHEDULE OF LOCATIONS**

**MAIN STREET AMERICA ASSURANCE COMPANY**

Named Insured: ADVANCED PLASTERING INC Effective Date: 08-06-2010

Agent Name: NORTHEAST AGENCIES INC CL SC Agent No. 314026

| Prem.<br>No. | Bldg.<br>No. | Premises Address<br>(Address, City, State, Zip Code) |
|--------------|--------------|--|
| 1            | 1            | 516 GREEN HILL LN, NORRISTOWN, PA, 19401-1364        |

## IDENTITY THEFT RESOLUTION SERVICES

Identity theft is the fastest growing crime in the United States. In the event that you become a victim, you can now use our free identity theft resolution service provided by Identity Theft 911®, the premier identity theft resolution service provider in the United States. These services are available because your policy includes **Identity Theft Expense Coverage** at no additional cost and provides coverage to you as a business owner of a Sole Proprietorship, or in the case of a Limited Liability Company (LLC), Corporation (Inc.), Limited Liability Partnership (LLP) or any legal equivalent, the President, Main Principal or Senior Partner(s).

As part of the identity theft resolution service, if you become a victim of identity theft and need help safeguarding your personal information, a personal advocate at Identity Theft 911 will be assigned to work one-on-one with you – from the first call through crisis resolution. Your personal advocate can take care of any activity that can legally be handled by a third party.

### Identity theft resolution service also provides:

- ✓ Systematic notification to credit bureaus, creditors and collectors, government agencies and relevant parties.
- ✓ Preparation of all documents and phone calls needed to resolve your identity theft, including placing fraud alerts.
- ✓ Direct assistance with filing a police report – plus a comprehensive case file to assist law enforcement and claims handling.
- ✓ Federal Trade Commission fraud victim affidavit is created on your behalf by the personal advocate.
- ✓ Three-in-one credit report and ongoing credit monitoring.
- ✓ Optional credit file freezes and interfaces with state identity theft passport programs (where available).
- ✓ Ongoing fraud monitoring of more than 1,000 databases (including Department of Motor Vehicles) to identify fraudulent use of your stolen identity.
- ✓ Full year of active follow-up, commencing on the date the case is determined to be closed, to judge the effectiveness of the crisis resolution.

---

Our **Identity Theft Expense Coverage (BPM 2102 12 07)** provides up to **\$15,000** of insurance coverage to pay for the expenses incurred by you as the result of identity theft.

### Coverage highlights include:

- ✓ Lost wages as a result of time away from work.
- ✓ Costs for notarizing affidavits or similar documents.
- ✓ Loan application fees when reapplying for loans initially rejected solely due to incorrect credit information.
- ✓ Postage, phone and shipping fees.
- ✓ Certain legal fees to defend lawsuits brought against you as a result of identity fraud.

THIS NOTICE DOES NOT PROVIDE COVERAGE NOR DOES THIS NOTICE REPLACE ANY PROVISIONS OF YOUR POLICY. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

POLICY NUMBER: MPZ9088B

**BUSINESSOWNERS****BPM N 1 1008**

## QUICK REFERENCE GUIDE

### Businessowners Coverage Form – Sections I, II, III

#### SECTION I -- PROPERTY

|  |   |  |           |
|--|---|--|-----------|
| <b>A - COVERAGE</b>  |   | <b>6 - Coverage Extensions</b>                         | <b>17</b> |
| 1 – Covered Property   | 1 | a. Newly Acquired or Constructed Property              |           |
| 2 – Property Not Covered   | 2 | b. Personal Property Off Premises                      |           |
| 3 – Covered Causes of Loss   | 2 | c. Outdoor Property                                    |           |
| 4 – Limitations  | 2 | d. Personal Effects                                    |           |
| 5 – Additional Coverages   | 3 | e. Valuable Papers & Records                           |           |
| a. Debris Removal  |   | f. Accounts Receivable                                 |           |
| b. Preservation of Property  |   | g. Theft Damage to Building                            |           |
| c. Fire Department Service Charge  |   | h. Non-Owned Detached Trailers                         |           |
| d. Collapse  |   | i. Appurtenant Buildings and Structures                |           |
| e. Water Damage, Other Liquids, Powder or Molten Material Damage           |   | j. Lease Assessment                                    |           |
| f. Business Income and Extra Expense                                       |   | k. Leasehold Improvements                              |           |
| (1) Business Income  |   | l. Lock & Key Replacement                              |           |
| (2) Extended Business Income   |   | m. Employee Dishonesty & ERISA                         |           |
| (3) Extra Expense  |   | n. Outdoor Signs                                       |           |
| g. Ordinance or Law - Increased Period of Restoration                      |   | o. Money & Securities                                  |           |
| h. Pollutant Cleanup and Removal   |   | p. Limited Spoilage Coverage                           |           |
| i. Civil Authority   |   |  |           |
| j. Money Orders & Counterfeit Money  |   | <b>B – EXCLUSIONS</b>                                  | <b>24</b> |
| k. Forgery or Alteration   |   | <b>C – LIMITS OF INSURANCE</b>                         | <b>28</b> |
| l. Ordinance or Law  |   | 1. Limit in Section 1 – Property                       |           |
| m. Business Income From Dependent Properties                               |   | 2. Inflation Guard                                     |           |
| n. Glass Expenses  |   | 3. Business Personal Property Limit- Seasonal Increase |           |
| o. Fire Extinguisher Systems Recharge Expense                              |   | <b>D – DEDUCTIBLES</b>                                 | <b>29</b> |
| p. Electronic Data and Computers   |   | <b>E – PROPERTY LOSS CONDITIONS</b>                    | <b>29</b> |
| q. Interruption of Computer Operations (Business Income and Extra Expense) |   | <b>F – PROPERTY GENERAL CONDITIONS</b>                 | <b>33</b> |
| r. Limited Coverage for "Fungi", Wet Rot, Dry Rot and Bacteria"            |   | 1. Control of Property                                 |           |
| s. Reward Payment  |   | 2. Mortgageholders                                     |           |
| t. Claims Data Expense   |   | 3. No Benefit to Bailee                                |           |
| u. Expediting Expenses   |   | 4. Policy Period, coverage Territory                   |           |
| v. Fine Arts   |   | 5. Coinsurance   |           |
| w. Business Income and Extra Expense - Newly Acquired Premises             |   | <b>G – OPTIONAL COVERAGE</b>                           | <b>34</b> |
| x. Temporary Relocation of Property  |   | <b>H – PROPERTY DEFINITIONS</b>                        | <b>34</b> |
| y. Outdoor Trees, Shrubs, Plants and Lawns                                 |   |  |           |

POLICY NUMBER: MPZ9088B

**BUSINESSOWNERS**

**BPM N 1 1008**

**SECTION II - LIABILITY**

**A. COVERAGES 1**

1. Business Liability and Supplementary Payments
2. Medical Expenses

**B. EXCLUSIONS 3**

1. Applicable to Business Liability
2. Applicable to Medical Expenses
3. Applicable to Both Business Liability and Medical Expenses Coverage— Nuclear Energy Liability Exclusion

**C. WHO IS AN INSURED 10**

**D. LIABILITY AND MEDICAL EXPENSES  
LIMITS OF INSURANCE 10**

**E. LIABILITY AND MEDICAL EXPENSES  
GENERAL CONDITIONS 11**

**F. LIABILITY AND MEDICAL EXPENSES  
DEFINITIONS 12**

**SECTION III – COMMON POLICY  
CONDITIONS**

**A – CANCELLATION 1**

**B – CHANGE 1**

**C – CONCEALMENT, MISREPRESENTATION OR  
FRAUD 1**

**D – EXAMINATION OF YOUR BOOKS AND  
RECORDS 2**

**E – INSPECTIONS AND SURVEYS 2**

**F – INSURANCE UNDER TWO OR MORE  
COVERAGES 2**

**G – LIBERALIZATION 2**

**H – OTHER INSURANCE 2**

**I – PREMIUMS 2**

**J – PREMIUM AUDIT 2**

**K – TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US 3**

**L – TRANSFER OF YOUR RIGHTS AND DUTIES  
UNDER THIS POLICY 3**

# BUSINESSOWNERS COVERAGE FORM

## SECTION I - PROPERTY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph H. Property Definitions in Section I – Property.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. Covered Property

Covered Property includes Buildings as described under Paragraph **a.** below, Business Personal Property as described under Paragraph **b.** below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under Paragraph **2.** Property Not Covered.

**a.** Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Retaining walls, whether or not attached.
- (3) Fences;
- (4) Fixtures, including outdoor fixtures;
- (5) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (6) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (7) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;

- (c) Floor coverings; and
- (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (e) Alarm systems.

**(8)** If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the buildings or structures;
- (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

**b.** Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph **E.5.d.(3)(b)**;
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **1.b.(2)**; and
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

**2. Property Not Covered**

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;

This paragraph does not apply to trailers, as provided for in the Coverage Extension for Non-Owned Detached Trailers.

- b. "Money" or "securities" except as provided in the:

- (1) Money and Securities Coverage Extension; or

- (2) Employee Dishonesty Coverage Extension;

- c. Contraband, or property in the course of illegal transportation or trade;

- d. Land (including land on which the property is located), water or growing crops ;

- e. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts, towers , bridges, walks, roadways, patios and other paved surfaces, trees, shrubs, or lawns, (other than "stock"), except as provided in the:

- (1) Outdoor Trees, Shrubs, Plants and Lawns Additional Coverage;

- (2) Outdoor Property Coverage Extension;

- (3) Outdoor Signs Coverage Extension; or

- (4) Outdoor Signs Optional Coverage.

- f. Watercraft (including motors, equipment and accessories) while afloat;

- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;

- h. Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";

- i. "Electronic Data", except as provided under Additional Coverages – Electronic Data and Computers. This Paragraph i. does not apply to your "stock" of pre-packaged software

- j. Outdoor swimming pools.

- k. "Fine Arts" except as provided in the Fine Arts Additional Coverage.

**3. Covered Causes Of Loss**

Risks of direct physical loss unless the loss is:

- a. Excluded in Paragraph B. Exclusions in Section I; or

- b. Limited in Paragraph 4. Limitations in Section I.

**4. Limitations**

- a. We will not pay for loss of or damage to:

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Coverage Extension for Money and Securities.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

- b. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:

- (1) Glass that is part of the exterior or interior of a building or structure;

- (2) Containers of property held for sale; or

- (3) Photographic or scientific instrument lenses.



- c. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$10,000 for furs, fur garments and garments trimmed with fur.
- (2) \$10,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.

## 5. Additional Coverages

Unless otherwise stated or excluded in the Declarations, the following Additional Coverages apply and are in addition to the applicable Limits of Insurance.

### a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to Paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

### (5) Examples

|                                |          |
|--------------------------------|----------|
| Example #1                     |          |
| Limit of Insurance             | \$90,000 |
| Amount of Deductible           | \$ 500   |
| Amount of Loss                 | \$50,000 |
| Amount of Loss Payable         | \$49,500 |
| (\$50,000 – \$500)             |          |
| Debris Removal Expense         | \$10,000 |
| Debris Removal Expense Payable | \$10,000 |
| (10,000 is 20% of \$50,000)    |          |

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).



|                                 |          |
|---------------------------------|----------|
| Example #2                      |          |
| Limit of Insurance              | \$90,000 |
| Amount of Deductible            | \$ 500   |
| Amount of Loss                  | \$80,000 |
| Amount of Loss Payable          | \$79,500 |
| (\$80,000 – \$500)              |          |
| Debris Removal Expense          | \$30,000 |
| Debris Removal Expense Payable: | \$10,000 |
| Basic Amount                    | \$10,500 |
| Additional Amount               | \$19,500 |

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows:  $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$ ; capped at \$10,500). The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ( $\$79,500 + \$30,000 = \$109,500$ ) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$30,000.

#### b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 90 days after the property is first moved.

#### c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

#### d. Collapse

- (1) With respect to buildings:

- (a) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
- (b) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- (c) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building; and
- (d) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- (2) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if the collapse is caused by one or more of the following:

- (a) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;
- (b) Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (c) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

- (d) Weight of people or personal property;
- (e) Weight of rain that collects on a roof; or
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (e), we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in Paragraphs (1)(a) through (1)(d) do not limit the coverage otherwise provided under this Additional Coverage for the causes of loss listed in Paragraphs (2)(a), (2)(d) and (2)(e).

- (3) With respect to the following property:

- (a) Awnings;
- (b) Gutters and downspouts;
- (c) Yard fixtures;
- (d) Outdoor swimming pools;
- (e) Piers, wharves and docks;
- (f) Beach or diving platforms or appurtenances;
- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in Paragraphs (2)(b) through (2)(f), we will pay for loss or damage to that property only if such loss or damage is a direct result of the collapse of a building insured under this policy and the property is Covered Property under this policy.

- (4) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- (a) The collapse was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(f) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (3) above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (4) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- (5) This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this policy.

**e. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or
- (2) Is directly caused by freezing.

**f. Business Income And Extra Expense**

When the Declarations show that you have coverage for Business Income and Extra Expense, the following Additional Coverage applies:

**(1) Business Income**

- (a) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The

"suspension" must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
- (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

**(b) Business Income means the:**

- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
- (ii) Continuing normal operating expenses incurred, including payroll.

**(2) Extended Business Income**

- (a) If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
  - (i) Begins on the date property except finished stock is ac-

tually repaired, rebuilt or replaced and "operations" are resumed; and

**(ii) Ends on the earlier of:**

- i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
- ii. 60 consecutive days after the date determined in Paragraph (a)(i) above, unless a greater number of consecutive days is shown in the Declarations.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

- (b) Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(3) Extra Expense**

- (a) We will pay the necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
  - (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (b) Extra Expense means expense incurred:
- (i) To avoid or minimize the "suspension" of business and to continue "operations":
    - i. At the described premises; or
    - ii. At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
  - (ii) To minimize the "suspension" of business if you cannot continue "operations".
  - (iii) To:
    - i. Repair or replace any property; or
    - ii. Research, replace or restore the lost information on damaged "valuable papers and records"

to the extent it reduces the amount of loss that otherwise would have been payable under Additional Coverage f. Business Income and Extra Expense.
- (4) If the Declarations show for Business Income and Extra Expense:
- (a) Actual loss for 12 consecutive months, then we will pay for the loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage; or
  - (b) Actual loss up to 12 consecutive months subject to a maximum dollar limit, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months

following the date of direct physical loss or damage, subject to the limit shown in any one occurrence.

**g. Ordinance Or Law – Increased Period Of Restoration**

**(1) When:**

- (a) A Covered Cause of Loss occurs to property at the described premises; and
- (b) The Declarations show that you have coverage for Business Income and Extra Expense;

We will pay for the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

- (a) Regulates the construction, repair or replacement of any property;
- (b) Requires the tearing down or replacement of any parts or property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of the loss.

- (2) This Additional Coverage applies only to the period that would be required, with reasonable speed, to reconstruct, repair, or replace the property to comply with the minimum requirements of the ordinance or law.

- (3) This Additional Coverage does not apply to:

- (a) Loss due to an ordinance or law that:
  - (i) You were required to comply with before the loss, even if the property was undamaged; and
  - (ii) You failed to comply with; or
- (b) Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants".



- (4) Paragraph **B.1.a.** Ordinance Or Law Exclusion, does not apply to this Additional Coverage.
- (5) The most we will pay for loss under this Additional Coverage in any one occurrence is \$25,000 at each described premises.
- (6) Payments made under this Additional Coverage are in addition to the applicable Limits of Insurance.

#### **h. Pollutant Clean Up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

#### **i. Civil Authority**

When the Declarations show you have coverage for Business Income and Extra Expense, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin immediately after the time of that action and will apply for a period of up to thirty consecutive days after coverage begins.

The coverage for necessary Extra Expense will begin immediately after the time of that action and ends:

- (1) 30 consecutive days after the time of that action; or
- (2) When your Business Income coverage ends;

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverage also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

#### **j. Money Orders And "Counterfeit Money"**

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit money" that is acquired during the regular course of business.

The most we will pay for any loss under this Additional Coverage is the Limit of Insurance for Business Personal Property.

#### **k. Forgery Or Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.

- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$25,000 unless a higher Limit of Insurance is shown in the Declarations.

#### **I. Ordinance Or Law**

In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for:

##### **(1) Coverage 1 - Loss To The Undamaged Portion Of The Building**

The loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

- (a) If the property is repaired or replaced on the same or another premises, we will not pay more than the amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured.
- (b) If the property is not repaired or replaced, we will not pay more than the actual cash value of the building at the time of the loss.

##### **(2) Coverage 2 - Demolition Cost**

The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

We will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

##### **(3) Coverage 3 – Increased Cost Of Construction**

- (a) The increased cost to:
  - (i) Repair or reconstruct damaged portions of that building; and/or
  - (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

When the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (b) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
    - (i) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the increased cost of construction at the same premises,
    - (ii) If the ordinance or law requires relocation to another premises, the most we will pay is the increased cost of construction at the new premises.
  - (c) We will not pay:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (d) The increased cost to repair, rebuild, or reconstruct tenant's improvements and betterments caused by enforcement of building, zoning or land use requirements at the described premises
- Paragraph **E.5.d. Property Loss Conditions Loss Payment** does not apply this Additional Coverage.

**(4) Combined Limit**

Under this Additional Coverage the most we will pay for loss for the total of Coverages **1, 2, 3** in any one occurrence is \$50,000 for each Building that is Covered Property. Paragraph **B.1.a.** Ordinance Or Law Exclusion does not apply to this Additional Coverage.

**(5) We will not pay under Coverage 1, 2, or 3 for:**

- (a)** Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot or bacteria; or
- (b)** The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- (c)** Loss due to any ordinance or law that:
  - (i)** You were required to comply with before the loss, even if the building was undamaged; and
  - (ii)** You failed to comply with.

**(6) Application Of Coverages**

The Coverages provided apply only if the following conditions are satisfied, and are then subject to the qualifications set forth in **6.(c)**:

- (a)** The ordinance or law:
  - (i)** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
  - (ii)** Is in force at the time of loss.

But coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Additional Coverage.

**(b) The building sustains direct physical damage:**

- (i)** That is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (ii)** That is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (iii)** But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage

**(c) We will not pay the full amount of loss otherwise payable under the terms of this Additional Coverages 1, 2 and/or 3. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.**

(Paragraph) **8.** of this Additional Coverage provides an example of this procedure.)

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of this Additional Coverages **1, 2** and/or **3** of this Additional Coverage.

**(7) Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section 6(c) of this Additional Coverage.**

Assume:

- Wind is a Covered Cause of Loss. Flood is an excluded Cause of Loss;
- The building has a value of \$200,000;
- Total direct physical damage to building: \$100,000;
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value;
- Portion of direct physical damage that is covered (caused by wind): \$30,000;
- Portion of direct physical damage that is not covered (caused by flood): \$70,000; and
- Loss under Ordinance or Law Coverage 3 of this endorsement: \$60,000.

Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

\$30,000 divided by \$100,000 = .30

Step 2: Apply that proportion to the Ordinance or Law loss.

$\$60,000 \times .30 = \$18,000$

In this example, the most we will pay under this endorsement for the Coverage 3 loss is \$18,000, subject to the applicable Combined Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages 1 and 2 of this Additional Coverage.

**m. Business Income And Extra Expense From Dependent Properties**

- (1) If coverage is being provided for Business Income and Extra Expense, we will pay for the actual loss of Business Income you sustain and reasonable and necessary extra expense you incur due to physical loss or damage at the premises of a dependent property caused by or resulting from any Covered Cause of Loss including "electronic vandalism".

The most we will pay under this Additional Coverage is \$10,000 unless a higher Limit of Insurance is indicated in the Declarations.

- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

(a) Source of materials; or

(b) Outlet for your products.

- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

- (4) Dependent property means property owned by others whom you depend on to:

(a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;

(b) Accept your products or services;

(c) Manufacture your products for delivery to your customers under contract for sale; or

(d) Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.

- (5) The coverage period for Business Income and Extra Expense under this Additional Coverage:

(a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and

(b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- (6) The Business Income and Extra Expense coverage period, as stated in Paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:



- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not reduce the Business Income coverage period.

- (7) The definitions of Business Income or Extra Expense contained in the Business Income and Extra Expense Additional Coverage also applies to this Business Income And Extra Expense From Dependent Properties Additional Coverage.

**n. Glass Expenses**

- (1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- (2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

**o. Fire Extinguisher Systems Recharge Expense**

- (1) We will pay:
  - (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises; and
  - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.

**p. Electronic Data And Computers**

- (1) We will pay for direct physical loss or damage to "Electronic Data" and "Computers" at the described premises resulting from a Covered Cause of Loss including "electronic vandalism". The most we will pay under this Additional Coverage for "Electronic Data" and "Computers" is \$50,000 unless a higher Limit of Insurance is shown in the Declarations.
- (2) The most we will pay under this Additional Coverage for loss of or damage to duplicates of your "electronic data" while stored at a separate premises from where your original "electronic data" are kept, in any one occurrence, is the Electronic Data and Computers limit of insurance.
- (3) The most we will pay under this Additional Coverage for loss or damage to "electronic data" or "computers" you newly acquire in any one occurrence is \$100,000.
- (4) The most we will pay under this Additional Coverage for loss or damage to "electronic data" or "computers" at a newly acquired location is \$100,000.

With respect to Paragraphs **p.(3)** and **p.(4)** above, the insurance under the Additional Coverage will end when any of the following first occurs:

- (a) This Policy expires;
- (b) 180 days expire after you acquire the "electronic data", "computers" or premises;
- (c) Report values to us.

You agree to pay an additional premium, if required, from the date you acquired the property or location.

- (5) The most we will pay under this Additional Coverage for loss or damage to "electronic data" or "computers" while in transit or off premises at a temporary location anywhere in the world for up to ninety days is \$50,000. Paragraph **F.4.b.**, Coverage Territory does not apply.
- (6) The following exclusions do not apply to this Additional Coverage;

- (a) Paragraph **B.2.a.**, Electrical Apparatus;
- (b) Paragraphs **B.2.I.(6)**, **B.2.I.(7).(a)** and **B.2.I.(7).(b)**, Other Types Of Loss;
- (7) The following additional exclusions apply to this Additional Coverage:
  - (a) We will not pay for loss or damage caused by or resulting from any of the following:
    - (i) Programming errors, omissions or incorrect instructions to a "computer". But if programming errors, omissions or incorrect instructions to a "computer" results in a "specified cause of loss" of "computers", we will pay for the loss or damage caused by that "specified cause of loss" of "computers".
    - (ii) Unauthorized viewing, copying or use of "electronic data" (or any proprietary or confidential information or intellectual property) by any person, even if such activity is characterized as theft;
    - (iii) Unexplained or indeterminate failure, malfunction or slow down of a computer system, including electronic data or the inability to access or properly manipulate data;
    - (iv) Computer fraud and Electronic Funds transfer fraud.

**q. Interruption Of Computer Operations**

When the Declarations show that you have coverage for Business Income and Extra Expense and subject to all provisions of that Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss including "electronic vandalism".

Payments made under this coverage are included in and not in addition to any limits of insurance applying to Business Income and Extra Expense.

**r. Limited Coverage For 'Fungi', Wet Rot, Dry Rot And Bacteria**

- (1) The coverage described in Paragraphs **r.(2)** and **r.(6)** only applies when the "fungi", wet or dry rot or bacteria are the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
- (2) We will pay for loss or damage by "fungi", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
  - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet or dry rot or bacteria are present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet or dry rot or bacteria, we will not pay more than the total of \$15,000 even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all the terms and conditions of the applicable Business Income and Extra Expense Additional Coverage.
- (a) If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, then our payment under the Business Income and Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (b) If a covered "suspension" of "operations" was caused by loss or damage other than "fungi", wet or dry rot or bacteria, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sus-

tained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

**s. Reward Payment**

- (1) We will reimburse you for rewards paid as follows:
- (a) Up to \$10,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss of or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:
- (i) Actual cash value of the Covered Property at the time of loss or damage, but no more than the amount required to repair or replace it; or
- (ii) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
- (b) Up to \$10,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
- (i) Actual cash value based on the condition of the Covered Property at the time it is returned, but no more than the amount required to repair or replace it or;
- (ii) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.
- (2) This Additional Coverage applies subject to the following conditions:
- (a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the

stolen Covered Property, and who is not:

- (i) You or any family member;
  - (ii) Your employee or any of his or her family members;
  - (iii) An employee of a law enforcement agency;
  - (iv) An employee of a business engaged in property protection;
  - (v) Any person who had custody of the Covered Property at the time the theft was committed; or
  - (vi) Any person involved in the crime.
- (b) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
  - (c) The lesser of the amount of the reward or \$10,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

**t. Claim Expenses**

- (1) We will pay for all reasonable expense you incur at our request to assist us in:
  - (a) The investigation of a claim; or
  - (b) The determination of the amount of loss, such taking inventory.
- (2) We will not pay for:
  - (a) Expenses to prove that loss or damage is covered;
  - (b) Expenses incurred under Section **E. Property Loss Conditions**, Paragraph **2. Appraisal**;
  - (c) Expenses incurred for examinations under oath; or
  - (d) Expenses or percentages billed by and payable to attorneys, or independent or public adjusters.
  - (e) The most we will pay for expenses you incur under this Additional Coverage is \$5,000 regardless of the number of premises involved.

**u. Expediting Expenses**

- (1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs, or expedite permanent replacement, at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.
- (2) With respect to this Additional Coverage, equipment breakdown to covered equipment will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.
- (3) The most we will pay under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.

**v. Fine Arts**

- (1) We will pay for direct physical loss of or damage to "fine arts" which are owned by:
  - (a) You; or
  - (b) Others and in your care, custody or control;
    - caused by or resulting from a Covered Cause of Loss, including while on exhibit, anywhere within the Coverage Territory.
- (2) The breakage limitation under Paragraph **A.4.b** does not apply to this Additional Coverage.
- (3) Paragraph **B. Exclusions**, in Section **I - Property** does not apply to this Additional Coverage except for:
  - (a) Paragraph **B.1.b. Earth Movement**;
  - (b) Paragraph **B.1.c. Governmental Action**;
  - (c) Paragraph **B.1.d. Nuclear Hazard**;
  - (d) Paragraph **B.1.f. War and Military Action**;
  - (e) Paragraph **B.1.g. Water**;



- (f) Paragraph **B.2.e.** Frozen Plumbing; and
- (g) Paragraph **B.2.k.** Neglect.
- (4) The following exclusions are added to this Additional Coverage:

We will not pay for loss or damage caused by or resulting from:

- (a) Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, birds, rodents or other animals;
- (b) Dampness or dryness of atmosphere, or changes in or extremes of temperature;
- (c) Any repairing, restoration or retouching process; or
- (d) Faulty packaging.
- (5) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000, unless a higher limit for "fine arts" is shown in the Declarations.

**w. Business Income And Extra Expense – Newly Acquired Premises**

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, we will pay for the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).
- (2) The most we will pay for this Additional Coverage for the sum of Business Income and Extra Expense you incur in any one occurrence is \$250,000 at each newly acquired premises.
- (3) Insurance under this Additional Coverage for each newly acquired premises will end when any of the following first occurs:
  - (a) This policy expires;
  - (b) 90 days expire after you acquire that premises;

- (c) You report that premises to us; or
- (d) The Business Income and Extra Expense is more specifically insured.

We will charge you additional premium for premises reported from the date you acquire that premises.

- (4) Payments made under this Additional Coverage are in addition to the applicable Limits of Insurance.

**x. Temporary Relocation Of Property**

- (1) If Covered Property is removed from the described premises and stored temporarily at a location you own, lease or operate while the described premises is being renovated or remodeled, we will pay for direct physical loss or damage to that stored property:
  - (a) Caused by or resulting from a Covered Cause of Loss;
  - (b) Up to \$50,000 at each temporary location in any one occurrence; and
  - (c) During the storage period up to 90 consecutive days but not beyond expiration of this policy.
- (2) This Additional Coverage does not apply if the stored property is more specifically insured.

**y. Outdoor Trees, Shrubs, Plants And Lawns**

- (1) We will pay for direct physical loss of or damage to outdoor trees, shrubs, plants and lawns (other than "stock") located at the described premises caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$3,000 at each described premises.
- (3) Debris removal, because of covered loss or damage to outdoor trees, shrubs, plants and lawns, is included within the limits described in Paragraph (2) above.

**6. Coverage Extensions**

In addition to the Limits of Insurance of Section I – Property, you may extend the insurance provided by this policy as provided below.

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

If this policy covers Buildings, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at premises other than the one described, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

**(2) Business Personal Property**

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (a) Business Personal Property, including such property that you newly acquire, at any location you acquire;
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (c) Business Personal Property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

**(3) Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the

building that would qualify as covered property; or

**(c) You report values to us.**

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Property Off Premises**

You may extend the insurance provided by this policy to apply to your Covered Property while:

- (1) In the course of transit;
- (2) Temporarily at a premises you do not own, lease or operate;
- (3) At any fair, trade show or exhibition, or
- (4) In the care, custody or control of your salespersons.
- (5) This Coverage Extension does not apply to:
  - (a) "money" and "securities";
  - (b) "valuable papers and records";
  - (c) "computers";
  - (d) "electronic data";
  - (e) "fine arts";
  - (f) accounts receivable;
  - (g) personal effects; or
  - (h) property temporarily at a premises for more than 90 consecutive days.
- (6) The most we will pay for loss or damage under this Extension is \$25,000.

**c. Outdoor Property**

You may extend the insurance provided by this policy to apply to direct physical loss of or damage to the following outdoor property at the described premises caused by or resulting from a Covered Cause of Loss:

- (1) Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers; or
- (2) Bridges, walks, roadways, patios and other paved surfaces.
- (3) The most we will pay for loss or damage under this Extension in any one occurrence is \$10,000.

- (4) Debris removal, because of a covered loss or damage to outdoor property, as described in Paragraphs (1) and (2), is included within the limits described in Paragraph (3) above.

**d. Personal Effects**

You may extend the insurance that applies to Business Personal Property at the described premises to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees. The most we will pay for theft of your employee's tools or equipment used in your business is \$5,000 per person.

The most we will pay for loss or damage under this Extension is \$25,000 at each described premises.

**e. Valuable Papers And Records**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

- (2) This Coverage Extension does not apply to:

- (a) Property held as samples or for delivery after sale; and
- (b) Property in storage away from the premises shown in the Declarations.

- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$25,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$25,000.

- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

- (5) Paragraph B. Exclusions in Section I – Property does not apply to this Coverage Extension except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War And Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.2.m.(2), Errors Or Omissions; and
- (g) Paragraph B.3.

**f. Accounts Receivable**

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises, is \$25,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises the most we will pay is \$25,000.

- (3) Paragraph **B. Exclusions in Section I** – Property does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.c.**, Governmental Action;
- (b) Paragraph **B.1.d.**, Nuclear Hazard;
- (c) Paragraph **B.1.f.**, War And Military Action;
- (d) Paragraph **B.2.f.**, Dishonesty;
- (e) Paragraph **B.2.g.**, False Pretense;
- (f) Paragraph **B.3.**; and
- (g) Paragraph **B.5.**, Accounts Receivable Exclusion.

**g. Theft Damage To Building**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss or damage to the following caused by or resulting from theft or attempted theft:
- (a) That part of a building you occupy, but do not own, which contains Covered Property; and
  - (b) Property within such non-owned building used for maintenance or service of such non-owned building.
- (2) We will not pay under this Coverage Extension for loss or damage caused by or resulting from fire or explosion.

**h. Non-Owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
- (a) The trailer is used in your business
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or
  - (b) During the hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**i. Appurtenant Buildings And Structures**

- (1) When a Limit of Insurance is shown in the Declarations for Building at the described Premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures, within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.



(2) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss. The most we will pay in any one occurrence for direct physical loss or physical damage to Business Personal Property is \$5,000.

(3) Incidental appurtenant buildings or structures including but not limited to:

- (a) Storage buildings;
- (b) Carports;
- (c) Garages;
- (d) Pump houses;
- (e) Above ground tanks;

Which have not been specifically described in the Declarations.

(4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss of or damage to Building and Business Personal Property is \$50,000, regardless of the number of described premises involved.

**j. Lease Assessment**

(1) You may extend the insurance that applies to your Business Personal Property to apply to your share of assessment charged to all tenants by the building owner as a result of direct physical damage caused by or resulting from a Covered Cause of Loss to building property you occupy as agreed to in your written lease agreement.

(2) We will pay no more than \$2,500 in any one occurrence for this Coverage Extension.

**k. Leasehold Improvements**

(1) If your lease is cancelled in accordance with a valid lease provision as the direct result of a Covered Cause of Loss to property at the location in which you are a tenant, and you cannot legally remove tenant improvements and betterments, you

may extend the insurance that applies to your Business Personal Property to apply to the unamortized value of tenants improvement and betterments that remain and that you were forced to abandon.

(2) The most we will pay in any one occurrence for loss under this Coverage Extension is \$25,000.

**l. Lock And Key Replacement**

(1) You may extend the coverage that applies to Building or Business Personal Property to apply to the costs of replacing locks on insured premises made necessary by a lost or stolen key or master key.

(2) The most we will pay for this Coverage Extension is \$1,000.

**m. Employee Dishonesty**

(1) You may extend the coverage that applies to Business Personal Property to apply to direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

- (a) Cause you to sustain loss or damage; and also
- (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
  - (i) Any employee; or
  - (ii) Any other person or organization.

(2) Additional Coverage:

Welfare and Pension Plan ERISA Compliance.

In compliance with certain provisions of the Employment Retirement Income Security Act (ERISA):

- (a) For the purpose of this insurance, the following are added as Named Insureds under this Employee Dishonesty Coverage:
  - (i) Any Employee Welfare Benefit Plan, or

- (ii) Any Employee Benefit Pension Plan (hereafter called Plan) owned, controlled or operated by you and which you provide solely for the benefit of your employees.
  - (b) If any Plan is insured jointly with any entity under this insurance, you or the Plan Administrator must select a Limit of Insurance under this Employee Dishonesty Coverage Extension that is sufficient to provide an amount of insurance for each Plan that is at least equal to what is required if each Plan were separately insured.
  - (c) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that insured for loss sustained by any Plan will be held by that insured for the use and benefit of the Plan(s) sustaining the loss.
  - (d) If two or more Plans are insured under this insurance, any payment we make for loss:
    - (i) Sustained by two or more plans or
    - (ii) Of commingled funds or other property of two more Plans that arises out of one occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to these total amounts.
  - (e) The deductible provision does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.
- (3) We will not pay for loss or damage:
- (a) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
  - (b) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph (1), "managers" or directors:
    - (i) Whether acting alone or in collusion with other persons; or
    - (ii) While performing services for you or otherwise.
- (c) The only proof of which as to its existence or amount is:
- (i) An inventory computation; or
  - (ii) A profit and loss computation.
- (4) The most we will pay for loss or damage in any one occurrence is \$25,000, unless another Limit of Insurance for Employee Dishonesty is shown in the Declarations.
- (5) All loss or damage:
- (a) Caused by one or more persons; or
  - (b) Involving a single act or series of acts; is considered one occurrence.
- (6) If any loss is covered:
- (a) Partly by this insurance; and
  - (b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (7) This Coverage Extension is cancelled as to any employee immediately upon discovery by:
- (a) You; or
  - (b) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

- (8)** We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- (9)** If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Coverage Extension, provided:
  - (a)** This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (b)** The loss or damage would have been covered by this Coverage Extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (10)** The insurance under Paragraph 9. above is part of, not in addition to, the Limit of Insurance applying to this Coverage Extension and is limited to the lesser of the amount recoverable under:
  - (a)** This Coverage Extension as of its effective date; or
  - (b)** The prior insurance had it remained in effect.
- (11)** With respect to the Employee Dishonesty Coverage Extension in Paragraph 6.m.:
  - (a)** Employee means:
    - (i)** Any natural person:
      - i.** While in your service or for 30 days after termination of service;
      - ii.** Who you compensate directly by salary, wages or commissions; and
      - iii.** Who you have the right to direct and control while performing services for you:

- (ii)** Any natural person who is furnished temporarily to you:

- i.** To substitute for a permanent employee as defined in Paragraph (i) above, who is on leave; or
- ii.** To meet seasonal or short-term work load conditions:

- (iii)** Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (ii) above;

- (iv)** Any natural person who is a former employee, director, partner, member, "manager", representative or trustee retained as a consultant while performing services for you; or

- (v)** Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

- (vi)** A trustee, officer, employee, administrator or "manager", except an administrator or a "manager" who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereafter called Plan) insured under this insurance; and

- (vii)** Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.

- (b)** But employee does not mean:

- (i)** Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

- (ii) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee or as provided in Paragraph 11 (a) above.

**n. Outdoor Signs**

**(1) If:**

- (a) You are the building owner; and
- (b) A Limit of Insurance is shown in the Declarations for Building;

At the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

**(2) If:**

- (a) You are a tenant; and
- (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
- (c) You own or are contractually obligated to repair or replace outdoor signs;

At the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

- (3) Debris removal, because of a covered loss of or damage to outdoor signs, is included in the Limit of Insurance as described in Paragraphs (1) and (2) above.

**o. Money And Securities**

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to Section I – Property, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

- (3) Unless a specific limit is indicated in the Declarations, the most we will pay for loss in any one occurrence is \$25,000 or the limit shown in the Declarations for Business Personal Property, whichever is higher:

**(4) All loss:**

- (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
- is considered one occurrence.

- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

**p. Limited Spoilage Coverage**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to consequential loss to your Business Personal Property caused by a change in:

- (a) Temperature; or
- (b) Humidity;

Caused by or resulting from a Covered Cause of Loss to equipment situated at the described premises.

- (2) With respect to this Coverage Extension, breakdown to covered equipment will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this policy.

- (3) Paragraphs **B.2.I.(7)(a)** and **B.2.I.(7)(b)** do not apply to this Coverage Extension.

**B. Exclusions**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

**a. Ordinance Or Law**

- (1) The enforcement of any ordinance or law:
  - (a) Regulating the construction, use or repair of any property; or
  - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
  - (a) An ordinance or law that is enforced even if the property has not been damaged; or
  - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

**b. Earth Movement**

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in Paragraphs (1) through (4) above, results in fire or explosion,

we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Power Failure**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.



This exclusion does not apply to loss or damage to "computer(s)" and "electronic data".

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in Paragraphs (1) through (4), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. Certain Computer-Related Losses**

- (1) The failure, malfunction or inadequacy of:
  - (a) Any of the following, whether belonging to any insured or to others:
    - (i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
    - (ii) "Computer" application software or other "electronic

media and records" as may be described elsewhere in this policy;

- (iii) "Computer" operating systems and related software;
- (iv) "Computer" networks;
- (v) Microprocessors ("computer" chips) not part of any "computer" system; or
- (vi) Any other computerized or electronic equipment or components; or

- (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

- (2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph (1) above.

However, if excluded loss or damage, as described in Paragraph (1) above results in a "specified cause of loss" under Section I – Property, we will pay only for the loss or damage caused by such "specified cause of loss".

We will not pay for repair, replacement or modification of any items in Paragraph (1)(a) or (1)(b) to correct any deficiencies or change any features.

**i. "Fungi", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria.

But if "fungi", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet or dry rot or bacteria result from fire or lightning; or



- (2) To the extent that coverage is provided in the Additional Coverage — Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria (contained in the Limited Fungi or Bacteria Coverage) if any, with respect to loss or damage by a cause of loss other than fire or lightning.
2. We will not pay for loss or damage caused by or resulting from any of the following:
- a. Electrical Apparatus**
- Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.
- But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.
- We will pay for loss or damage to "computer(s)" due to artificially generated electrical current if such loss or damage is caused by or results from:
- (1) An occurrence that took place within 1,000 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 1,000 feet of the described premises.
- b. Consequential Losses**
- Delay, loss of use or loss of market.
- c. Smoke, Vapor, Gas**
- Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. Steam Apparatus**
- Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

**e. Frozen Plumbing**

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

**f. Dishonesty**

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Coverage Extension.

**g. False Pretense**

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

**h. Exposed Property**

Rain, snow, ice or sleet to personal property in the open.

**i. Collapse**

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**j. Pollution**

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

**k. Neglect**

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

**l. Other Types Of Loss**

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Equipment breakdown including rupture or bursting caused by centrifugal force.  
  
This exclusion does not apply with respect to the breakdown of "computer(s)";
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in Paragraphs (1) through (7) above results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

**m. Errors Or Omissions**

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

**n. Installation, Testing, Repair**

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting "specified causes of loss" if these causes of loss would be covered by this coverage form.

**o. Continuous Or Repeated Seepage Or Leakage Of Water**

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

3. We will not pay for loss or damage caused by or resulting from any of the following Paragraphs **a.** through **c.** But if an excluded cause of loss that is listed in Paragraphs **a.** through **c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**a. Weather Conditions**

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **B.1.** above to produce the loss or damage.

**b. Acts Or Decisions**

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

**c. Negligent Work**

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

#### 4. Business Income And Extra Expense Exclusions

a. We will not pay for:

(1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons;

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration";

(c) Damage or destruction of finished "stock" you manufacture or wholesale; or

(d) The time required to reproduce finished "stock" you manufacture or wholesale.

(2) Any other consequential loss.

With respect to this exclusion, "suspension" means:

(1) The partial slowdown or complete cessation of your business activities; and

(2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

#### 5. Accounts Receivable Exclusion

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

#### C. Limits Of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance of Section I – Property shown in the Declarations.

##### 2. Inflation Guard

a. The Limit of Insurance will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

(1) The limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the limit, times

(2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times

(3) The number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the limit, divided by 365.

Example:

If: The applicable Building limit is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$\$100,000 \times .08 \times 146 = \$11,776$   
~~+\$3,200.~~ **+Error! Auto-Text entry not defined. 365 =**

#### 3. Business Personal Property Limit – Seasonal Increase

a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.

b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
- (2) The period of time you have been in business as of the date the loss or damage occurs.

#### **D. Deductibles**

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section I – Property.
2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage for Glass or Outdoor Signs in any one occurrence is the Glass Deductible or Outdoor Signs Deductible shown in the Declarations:  
  
But this Glass Deductible or Outdoor Signs Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declaration.
3. No deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Business Income and Extra Expense;
  - c. Civil Authority;
  - d. Fire Extinguisher Systems Recharge Expense
  - e. Interruption Of Computer Operations;
  - f. Reward Payment;
  - g. Lock And Key Replacement; and
  - h. Preservation Of Property.

#### **E. Property Loss Conditions**

##### **1. Abandonment**

There can be no abandonment of any property to us.

##### **2. Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### **3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss or damage to Covered Property:
  - (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Section I – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.



(8) Cooperate with us in the investigation or settlement of the claim.

(9) Resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

#### 5. Loss Payment

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
- (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **d.(1)(d)** below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in Paragraphs (2) through (10) below, we will determine the value of Covered Property as follows:
- (1) At replacement cost without deduction for depreciation, subject to the following:
    - (a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or dam-

age settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

- (b) We will not pay on a replacement cost basis for any loss or damage:
- (i) Until the lost or damaged property is actually repaired or replaced; and
  - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (c) We will not pay more for loss or damage on a replacement cost basis than the least of the following paragraphs (i), (ii) or (iii) subject to paragraph (d) below;
- (i) The Limit of Insurance under Section I – Property that applies to the lost or damaged property;
  - (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
    - i. Of comparable material and quality; and
    - ii. Used for the same purpose; or
  - (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
- If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.
- (d) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the Actual Cash Value option applies, as shown in the Declarations, Paragraph (1) above does not apply. Instead, we will determine the value at actual cash value.
  - (3) The following property at actual cash value:

- (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Personal Property of others at the amount for which you are liable plus the cost of labor, materials or services furnished or arranged by you on personal property of others, not to exceed the replacement cost.
  - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord; and
  - (d) Manuscripts.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' Improvements and Betterments at:
- (a) Replacement cost if you make repairs promptly.
  - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to the Coverage Extensions:
- (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to Accounts Receivable:
- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (i) The amount of the accounts for which there is no loss or damage;
    - (ii) The amount of the accounts that you are able to re-establish or collect;
    - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (iv) All unearned interest and service charges.
- (8) "Fine Arts" as follows:
- (a) If there is a schedule of "fine arts" on file which includes a description and value of the lost or damaged item, we will pay the value as stated in the schedule for that item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.
  - (b) For "fine arts" without a schedule on file as described in Paragraph (a) above, the value of "fine arts" will be the least of the following amounts:
    - (i) Market value of the lost or damaged item at the time and place of loss;
    - (ii) The cost of reasonably restoring the lost or damaged item; or
    - (iii) The cost of replacing that lost or damaged item with property substantially the same; or



- (iv) \$5,000 or less per unscheduled item.
- (c) In case of loss to any part of a pair or set we will:
  - (i) Repair or replace any part to restore the pair or set to its value before the loss; or
  - (ii) Pay the difference between the value of the pair or set before and after the loss.

You must arrange for fine arts to be packed and unpacked by competent packers.
- (9) For "electronic data" and media for which duplicates do not exist will be valued as follows:
  - (a) The cost of blank media; and
  - (b) Your cost to research, replace or restore the lost "electronic data" on lost, damaged or destroyed media, but only if the "electronic data" is actually replaced or restored.
- (10) For duplicate "electronic data" and media at the cost of:
  - (a) Blank media; and
  - (b) Labor to copy the "electronic data", but only if the "electronic data" is actually copied.
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

- h. Finished "stock" you manufacture or wholesale at selling price less discounts and expenses you otherwise would have had.

## 6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limits of Insurance of Section I – Property.

## 7. Resumption Of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

## 8. Vacancy

### a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in Paragraphs (a) and (b) below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
    - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
    - (ii) Used by the building owner to conduct customary operations.

- (2) Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in Paragraphs (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**F. Property General Conditions**

**1. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**2. Mortgageholders**

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

**3. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**4. Policy Period, Coverage Territory**

Under Section I – Property:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

**5. Coinsurance**

If a coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of the Covered Property at the time of the loss multiplied by the coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for the property.

We will determine the most we will pay using the following method:

- (1) Multiply the value of the Covered Property at the time of the loss by the coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the amount determined in (1) above.
- (3) Multiply the total amount of the covered loss, before applying any deductible, by the amount determined in (2) above.
- (4) Subtract the deductible from the amount determined in (3) above.

We will pay the amount determined in (4) above, or the Limit of Insurance, whichever is less.

For any outstanding amount, you will either have to rely on other insurance or absorb the loss yourself.

- b. Coinsurance does not apply to:
  - (1) "Money" and "Securities";

(2) Additional Coverages;

(3) Coverage Extensions;

(4) Loss or damage in any one occurrence totaling less than \$2,500.

**G. Optional Coverage**

If shown as applicable in the Declarations, the following Optional Coverage also applies. The coverage is subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

**Outdoor Signs**

- 1. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
  - a. Owned by you; or
  - b. Owned by others but in your care, custody or control.
- 2. Paragraph A.3., Covered Causes Of Loss, and Paragraph B., Exclusions in Section I – Property, do not apply to this Optional Coverage, except for:
  - a. Paragraph B.1.c., Governmental Action;
  - b. Paragraph B.1.d., Nuclear Hazard; and
  - c. Paragraph B.1.f., War And Military Action.
- 3. We will not pay for loss or damage caused by or resulting from:
  - a. Wear and tear;
  - b. Hidden or latent defect;
  - c. Rust;
  - d. Corrosion; or
  - e. Equipment breakdown.
- 4. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.
- 5. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

**H. Property Definitions**

- 1. "Computer" means:
  - a. Programmable electronic equipment that is used to store, retrieve and process data; and
  - b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production type machinery or equipment.

2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
4. "Electronic Vandalism" means any acts by persons involving any of the following:
  - a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within "computers" or computer systems or net works to which it is introduced;
  - b. Unauthorized computer code or programming that:
    - (1) Deletes, distorts corrupts or manipulates computer programs, contents, instructions or other electronic or digital data, or otherwise results in damage to "computers" or computer systems or networks to which it is introduced;
    - (2) Replicates itself, impairing the performance of "computers" or computer systems or networks; or
    - (3) Gains remote control access to data and programming within "computers" or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.
5. "Fine Arts"
  - a. Means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass, bric-a-brac and similar property with historical value, or artistic merit; and
  - b. Does not mean any glass that is part of a building or structure.
6. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
7. "Manager" means a person serving in a directorial capacity for a limited liability company.
8. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
9. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
10. "Operations" means your business activities occurring at the described premises.
11. "Period of restoration":
  - a. Means the period of time that:
    - (1) Begins:
      - (a) For Business Income coverage:
        - (i) With the date of direct physical loss or damage, if the Declarations show immediately for Period of Restoration – Time Period; or
        - (ii) 72 hours after the time of direct physical loss or damage, if the Declarations show 72 hours for Period of Restoration – Time Period;
      - (b) For Extra Expense coverage immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
    - (2) Ends on the earlier of:
      - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
      - (b) The date when business is resumed at a new permanent location.
  - b. Does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- 12. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 13. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 but does not include "money".
- 14. "Specified causes of loss" means the following:
 

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss of or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

- 15. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
- 16. "Suspension" means;
  - a. The partial slowdown or complete cessation of your business activities; or
  - b. That a part of all of the described premises is rendered untenable, if coverage for Business Income and Extra Expense applies.
- 17. "Valuable papers and records" means inscribed, printed or written:
  - a. Documents;
  - b. Manuscripts; and
  - c. Records;
 including abstracts, books, deeds, drawings, films, maps or mortgages.  
 But "valuable papers and records" does not mean "money" or "securities" or "electronic data".



**BUSINESSOWNERS COVERAGE FORM****SECTION II – LIABILITY**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

In Section II – Liability, the word "insured" means any person or organization qualifying as such under Paragraph C. Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to I –Paragraph F. Liability And Medical Expenses Definitions in Section II – Liability.

**A. Coverages****1. Business Liability**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury", to which this insurance does not apply. We may at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. – Liability And Medical Expenses Limits Of Insurance in Section II – Liability; and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph f. Coverage Extension – Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (b) The "bodily injury" or "property damage" occurs during the policy period; and
  - (c) Prior to the policy period, no insured listed under Paragraph C.1. Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.
- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:



- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- f. Coverage Extension – Supplementary Payments**
- (1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
    - (a) All expenses we incur.
    - (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
    - (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
    - (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
    - (e) All costs taxed against the insured in the "suit".
    - (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
    - (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.
  - (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
    - (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
    - (b) This insurance applies to such liability assumed by the insured;
    - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
    - (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
    - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
    - (f) The indemnitee:
      - (i) Agrees in writing to:
        - i. Cooperate with us in the investigation, settlement or defense of the "suit";
        - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
        - iii. Notify any other insurer whose coverage is available to the indemnitee; and
        - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
      - (ii) Provides us with written authorization to:
        - i. Obtain records and other information related to the "suit"; and
        - ii. Conduct and control the defense of the indemnitee in such "suit".

- (3) So long as the conditions in Paragraph (2) are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2) Exclusions** in Section II – Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph (2)(f) above are no longer met.

## 2. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
 provided that:
  - (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of Section II – Liability. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

- (3) Necessary ambulance, hospital, professional nursing and funeral services.

## B. Exclusions

### 1. Applicable To Business Liability Coverage

This insurance does not apply to:

#### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

#### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

#### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
- (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
  - (i) Any insured; or
  - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 51 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
  - (b) The operation of any of the following machinery or equipment:
    - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

#### **i. War**

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

#### **j. Professional Services**

"Bodily injury", "property damage" or "personal and advertising injury" caused by the rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services; and
- (9) Services in the practice of pharmacy.

#### **k. Damage To Property**

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or



- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Paragraph D. Liability And Medical Expenses Limit Of Insurance in Section II – Liability.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**l. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**m. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**n. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**o. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**p. Personal And Advertising Injury**

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (8) Committed by an insured whose business is:
  - (a) Advertising, broadcasting, publishing or telecasting;



- (b) Designing or determining content of web-sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under Paragraph **F. Liability And Medical Expenses Definitions.**

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting.

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (10) With respect to any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, "pollutants".
- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;
- (12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.
 

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.
- (13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

**q. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**r. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

**s. Distribution Of Material In Violation Of Statutes**

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions **c.**, **d.**, **e.**, **f.**, **g.**, **h.**, **i.**, **k.**, **l.**, **m.**, **n.** and **o.** in Section II – Liability do not apply to damage by fire to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph **D. Liability And Medical Expenses Limits of Insurance** in Section II – Liability.

**2. Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

- a.** To any insured, except "volunteer workers".
- b.** To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c.** To a person injured on that part of premises you own or rent that the person normally occupies.
- d.** To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

- e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Business Liability Coverage.

**3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion**

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":
  - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
    - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
    - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:
  - (1) The "nuclear material":
    - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or

- (b) Has been discharged or dispersed therefrom;

- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

**d. As used in this exclusion:**

- (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (2) "Hazardous properties" include radioactive, toxic or explosive properties;
- (3) "Nuclear facility" means:
  - (a) Any "nuclear reactor";
  - (b) Any equipment or device designed or used for:
    - (i) Separating the isotopes of uranium or plutonium;
    - (ii) Processing or utilizing "spent fuel"; or
    - (iii) Handling, processing or packaging "waste";
  - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste"; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

- (4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- (5) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (6) "Property damage" includes all forms of radioactive contamination of property;
- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
- (10) "Waste" means any waste material:
  - (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
  - (b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (a) and (b) of the definition of "nuclear facility".

### C. Who Is An Insured

#### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

#### 2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

#### (1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b); or
- (d) Arising out of his or her providing or failing to provide professional health care services.

#### (2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
  - (1) With respect to liability arising out of the maintenance or use of that property; and
  - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### **D. Liability And Medical Expenses Limits Of Insurance**

- 1. The Limits of Insurance of Section II – Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
- 2. The most we will pay for the sum of all damages because of all:
  - a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
  - b. "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

- 3. The most we will pay under Business Liability Coverage for damages because of "property damage" to a premises while rented to you or in the case of fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.

#### **4. Aggregate Limits**

The most we will pay for:

- a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
- b. All:
  - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
  - (2) Plus medical expenses;
  - (3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses limit.

Subject to Paragraph a. or b. above, whichever applies, the Damage To Premises Rented To You Limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of Section II – Liability apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **E. Liability And Medical Expenses General Conditions**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.



## 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

## 3. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

## 4. Separation Of Insureds

Except with respect to the Limits of Insurance of Section II – Liability, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

## F. Liability And Medical Expenses Definitions

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
- c. All other parts of the world if the injury or damage arises out of:

- (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
- (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph **a.** above or in a settlement we agree to.

- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

- 9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection or engineering services.
- 10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".



11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

**17. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 21. "Your product":
  - a. Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or
      - (c) A person or organization whose business or assets you have acquired; and
    - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - b. Includes:
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    - (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

**BUSINESSOWNERS COVERAGE FORM****SECTION III -- COMMON POLICY CONDITIONS****(APPLICABLE TO SECTION I – PROPERTY AND  
SECTION II – LIABILITY)****A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy;
    - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
      - (a) Seasonal unoccupancy; or
      - (b) Buildings in the course of construction, renovation or addition.  
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
    - (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
      - (a) Have not started, and
      - (b) Have not been contracted for, within 30 days of initial payment of loss.
  - (3) The building has:
    - (a) An outstanding order to vacate;
    - (b) An outstanding demolition order; or
    - (c) Been declared unsafe by governmental authority.
  - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
  - (5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
- (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

**B. Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

**C. Concealment, Misrepresentation Or Fraud**

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or

4. A claim under this policy.

#### **D. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

#### **E. Inspections And Surveys**

1. We have the right to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe and healthful; or
- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

#### **F. Insurance Under Two Or More Coverages**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### **G. Liberalization**

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

#### **H. Other Insurance**

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section I – Property.

2. Business Liability Coverage is excess over:

- a. Any other insurance that insures for direct physical loss or damage; or
- b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

#### **I. Premiums**

1. The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

- a. Paid to us prior to the anniversary date; and
- b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

#### **J. Premium Audit**

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.



2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### **K. Transfer Of Rights Of Recovery Against Others To Us**

1. Applicable to Businessowners Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:
    - (a) Owned or controlled by you; or
    - (b) That owns or controls you; or
  - (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

#### **L. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.



**BUSINESSOWNERS**  
**BPM 1109 1207**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT**

This endorsement changes coverage provided by the **BUSINESSOWNERS COVERAGE FORM – SECTION I – PROPERTY**. Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

### **A. Coverage**

The following **Limitations** are deleted:

#### **4. Limitations**

a. We will not pay for loss of or damage to:

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

### **5. Additional Coverages**

**Additional Coverages.** 5.h. and 5.u. are deleted and replaced with the following:

#### **5.h. Pollutant Clean Up and Removal**

We will pay for the Pollutant Clean Up and Removal for loss resulting from an "Equipment Breakdown". The most we will pay for the Pollutant Clean Up and Removal is \$250,000 unless a higher limit is provided by an endorsement to the property form for which this endorsement is attached. In that case, whichever limit is greater will apply.

#### **5.u. Expediting Expenses**

We will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to your damaged Covered Property. We will pay the reasonable extra cost to:

- (1) Make temporary repairs;

- (2) Expedite permanent repairs; and
- (3) Expedite permanent replacement

Reasonable extra cost shall mean "the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation." This will be a part of and not an addition to the limit per loss.

The following are added to **5. Additional Coverages**:

#### **Refrigerant Contamination**

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an "Equipment Breakdown".

#### **Spoilage Coverage**

We will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an "Equipment Breakdown" to types of property covered by this policy, that are:

- (1) located on or within 1,000 feet of your described premises; and
- (2) owned by you, the building owner at your described premises, or owned by a public utility.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic

action, leakage from fire extinguishing equipment, water damage except water damage resulting from an Equipment Breakdown, earth movement or flood.

### **Business Income and Extra Expense**

This Equipment Breakdown Enhancement Endorsement follows the Additional Coverages of **Business Income** and **Extra Expense** of the Businessowners Coverage Form to which this Endorsement is attached.

### **CFC Refrigerants**

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

Additional costs mean those in excess of what would have been required to repair or replace covered property had no CFC refrigerant been involved. We also pay for additional loss as described under the Spoilage or Loss of Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We pay no more than the least of the following:

- (1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- (2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- (3) The cost to replace the system with one using a non-CFC refrigerant.

### **'Electronic Data' and 'Computers'**

We will pay for direct physical loss or damage to "Electronic Data" and "Computers" resulting from an "Equipment Breakdown".

### **Service Interruption**

Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by an "Equipment Breakdown" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any

of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "Equipment Breakdown" except that it is not Covered Property.

Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "Equipment Breakdown".

### **B. Exclusions**

The **Exclusions** are modified as follows:

- a. The following is added to Exclusion **B.1.g.(3)**:

However, when **BPM 1110 Water Back-Up and Sump Overflow** endorsement is attached, if the presence of water, as described, requires the drying out of electrical Covered Property, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and applicable deductible.

The following **Exclusions** are deleted:

#### **2. a. Electrical Apparatus**

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical current if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 1,000 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 1,000 feet of the described premises.

**2. d. Steam Apparatus**

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

**2. l. Other Types of Loss, (6) Equipment**

breakdown, including rupture or bursting caused by centrifugal force. This exclusion does not apply with respect to the breakdown of "computer(s)";

**F. Property General Conditions**

The following **Property General Conditions** are added:

**5. Suspension**

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- (a) Your last known address; or
- (b) The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

**6. Inspections and Surveys**

- a. We have the right to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.
- b. We are not obligated to make any inspections, surveys, reports or recommenda-

tions and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.
- c. Paragraphs a. and b. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- d. Paragraph b. of this condition does not apply to any inspections, surveys, reports, or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators

**7. Environmental, Safety and Efficiency Improvements**

If Covered Property requires replacement due to an "Equipment Breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer, or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This Condition does not apply to any property to which Actual Cash Value applies.

**G. Optional Coverages**

With regards to coverage provided by this endorsement, Paragraph **G.1.c.(5)** of the **Outdoor Sign Optional Coverage** does not apply.

**H. Property Definitions**

- 14. "Specified Causes of Loss" also includes "Equipment Breakdown".

"Equipment Breakdown" as used herein means:

- a. Physical loss or damage both originating within:

- (1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
  - a. waste disposal piping;
  - b. any piping forming part of a fire protective system;
  - c. furnaces; and
  - d. any water piping other than:
    - i. boiler feed water piping between the feed pump and the boiler;
    - ii. boiler condensate return piping; or
    - iii. water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.

- (2) All mechanical, electrical, electronic or fiber optic equipment; and

- b. Caused by, resulting from, or consisting of:
  - (1) Mechanical breakdown;
  - (2) Electrical or electronic breakdown; or
  - (3) Rupture, bursting, bulging, implosion, or steam explosion.

However, "Equipment Breakdown" will not mean:

Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

- (1) Wear and Tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;
- (6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any "computer" system including any hardware, programs or software;
- (7) Scratching or marring;
- (8) Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage except water damage resulting from an Equipment Breakdown, earth movement or flood.

**BUSINESSOWNERS  
BPM 1115 1207**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under **Section I – Property** in all forms and endorsements that comprise this Businessowners Policy, except as provided in Paragraph **C.** This includes but is not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- C.** However, the exclusion in Paragraph **B.** does not apply to the following:
  - 1.** Loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Businessowners Policy; or
  - 2.** Coverage otherwise provided under **Food Contamination Endorsement BPM 1112** (if that endorsement is attached to this Businessowners Policy); or
  - 3.** Coverage otherwise provided under the Food Contamination Additional Coverage in **Restaurants Endorsement BP 07 78** (if that endorsement is attached to this Businessowners Policy).
- D.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- E.** The following provisions in the Businessowners Coverage Form–Section I-Property are hereby amended to remove reference to bacteria:
  - 1.** Exclusion B.(i) - "Fungi", Wet Rot, Dry Rot And Bacteria; and
  - 2. Additional Coverage A.5. (r) – Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria,** including any endorsement increasing the scope or amount of coverage.
- F.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Businessowners Policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **IDENTITY THEFT EXPENSE COVERAGE**

### **DEFINITIONS**

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Identity theft" means the act of knowingly transferring or using, without lawful authority, a means of identification of an "insured" with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.
2. "Expenses" means:
  - a. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
  - b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
  - c. Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$5,000.
  - d. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
  - e. Reasonable attorney fees incurred as a result of "identity theft" to:
    - (1) Defend lawsuits brought against an "insured" by merchants, financial institutions or their collection agencies;
    - (2) Remove any criminal or civil judgments wrongly entered against an "insured"; and
    - (3) Challenge the accuracy or completeness of any information in a consumer credit report.
  - f. Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity theft".

### **IDENTITY THEFT EXPENSE**

We will pay up to \$15,000 for "expenses" incurred by an "insured" as the direct result of any one "identity theft" first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an "insured", is considered to be one "identity theft", even if a series of acts continues into a subsequent policy period.

This coverage is additional insurance.

### **EXCLUSIONS**

The following additional exclusions apply to this coverage:

We do not cover:

1. "Expenses" incurred due to any fraudulent, dishonest or criminal act by an "insured" or any person aiding or abetting an "insured", or by any authorized representative of an "insured", whether acting alone or in collusion with others.
2. Loss other than "expenses".

### **DUTIES AFTER LOSS**

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "identity theft" coverage.

All other provisions of this policy apply.



**BUSINESSOWNERS**  
**BPM 2103 10 08**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

- A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

#### **CAP ON CERTIFIED TERRORISM LOSSES**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

- B.** The following provision is added to Businessowners Coverage Form **BPM P 1** :

#### **APPLICATION OF OTHER EXCLUSIONS**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CONTRACTORS EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

#### **A. Additional Insureds**

Each of the following is added to Paragraph **C. Who Is An Insured** of **BPM P 2 – Section II – Liability** but only as specifically described by the following:

1. Any person(s) or organization(s) for whom you are performing operations is also an additional insured, when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage", "personal and advertising injury" caused in whole or part, by:
  - a. Your acts or omissions; or
  - b. The acts or omissions of those acting on your behalf;

In the performance of your ongoing operations or "your work" included within the "products-completed operations" hazard for the additional insured at the location designated and described in the written contract or agreement.

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- a. The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- b. Supervisory, inspection, architectural or engineering activities.

2. Any manager or lessor of premises to whom you are obligated by virtue of a written "Insured Contract" to provide insurance such as is afforded by this policy, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you. This insurance does not apply to:
  - a. Any "occurrence" that takes place after you cease to be a tenant in the premises; or
  - b. Structural alterations, new construction or demolition operations performed by or for such additional insured.

3. Any state or political subdivision, subject to the following provisions:
  - a. This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
  - b. This insurance does not apply to:
    - (1) "Bodily injury", "property damage", "personal and advertising injury" arising out of operations performed for the state or municipality; or
    - (2) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

4. Any person(s) or organization(s) who is the lessor of leased equipment leased to you, and required by the lease to be included as an additional insured but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or part, by your maintenance, operation or use by you of equipment leased to you by such person(s) or organization(s).

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

5. Any architect, engineer, or surveyor engaged by you but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or part, by:

- a. Your acts or omissions; or
  - b. The acts or omissions of those acting on your behalf;
- in the performance of your ongoing operations performed by you or on your behalf.

The insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury", arising out of the rendering of or the failure to render any professional services by or for you, including:

- a. The preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
- b. Supervisory, inspection, or engineering services.

6. Any person or organization as mortgagee, assignee or receiver, but only with respect to liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of the premises by you.

This insurance does not apply to:

- a. Any "occurrence" that takes place after you cease to be a tenant in that premises; or
- b. Structural alterations, new construction and demolition operations performed by or for that person or organization.

#### **B. Artisans Legal Liability**

Paragraph **B.1.J, Exclusions, Professional Services** of **BPM P 2 – Section II – Liability** is amended as follows:

Professional services do not include those services employed by you in connection with your operations in your capacity as a construction contractor. This includes:

- 1. Construction means, methods, techniques, sequences and procedures,
- 2. Misinterpretation or wrongful application of designs, specification, drawings, surveys, maps, reports, opinions or change orders, and
- 3. Incidental systems or product amendment that is necessary for installation, service or completion of work performed by you.

- C. The following is added to Paragraph H. Other Insurance of BPM P 3 – Section III - Common Policy Conditions:**

Primary Additional Insured – If a written contract or agreement or permit requires this insurance to be primary for any person or organization with whom you agree to include in paragraph **C. Who Is An Insured** of **BPM P 2 – Section II – Liability**, this Other Insurance provision is applicable. This insurance is primary. This insurance is also non-contributory which means we will not seek contribution from other insurance available to the person or organization with whom you agree to include in **Who Is An Insured**.

**THIS IS A CLAIMS-MADE AND REPORTED COVERAGE ENDORSEMENT.****EMPLOYMENT PRACTICES LIABILITY  
INSURANCE COVERAGE ENDORSEMENT - PENNSYLVANIA**

Throughout this Coverage Endorsement (hereinafter referred to as "EPL Coverage Endorsement"), the words "you" and "your" refer to the "named insured(s)" shown in the Supplemental Declarations of this EPL Coverage Endorsement and any other person(s) or organization(s) qualifying as a "named insured" under this EPL Coverage Endorsement. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION III. WHO IS AN INSURED.

Other words and phrases that appear in "quotations" have special meaning. Refer to SECTION VII. DEFINITIONS.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions, BPM P 3 are hereby incorporated herein and shall apply to coverage as is afforded by this EPL Coverage Endorsement, unless specifically stated otherwise in an endorsement(s) attached hereto.

---

**SECTION I. WHAT IS COVERED**


---

**A. Insuring Agreement**

1. "We" shall pay those "losses" arising out of "your" "wrongful employment act" against "your" "employees", to which this insurance applies. The "wrongful employment act" must commence or take place after the "original inception date", but before the end of the "EPL coverage period". A "claim" or "suit" for a "wrongful employment act" must be first made against "you" during the "EPL coverage period" or any Extended Reporting Period (if applicable) and reported to "us" pursuant to the terms of this EPL Coverage Endorsement.
2. A "claim" or "suit" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
  - a. When written notice of such "claim" or "suit" is received and recorded by any "insured" or by "us", whichever comes first; or
  - b. When "we" make any settlement in accordance with the terms of this EPL Coverage Endorsement.

**B. Defense**

1. "We" have the right and duty to defend and appoint an attorney to defend any "claim" or "suit" brought against any "insured" for a "wrongful employment act" to which this insurance applies, even if the "claim" or "suit" is groundless or fraudulent.

2. "We" have the right to investigate and settle any "claim" or "suit" that "we" believe is proper. "You" shall be entitled to effectively associate in the defense of any "claim".
3. "We" shall pay all reasonable costs "we" ask the "insured" to incur while helping "us" investigate or defend a "claim" or "suit". "We", however, will not pay more than \$100 per day for earnings lost by the "insured" because of time taken off from work.
4. "We" shall pay premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, for a covered "suit". "We" shall only pay, however, for bonds valued up to "our" Aggregate EPL Limit of Liability. "We" shall have no obligation to appeal or to obtain these bonds.
5. Payments for "defense costs" are included within the Aggregate EPL Limit of Liability. They are not in addition to the Aggregate EPL Limit of Liability. "Our" duty to defend or to make payment of any "claim" or "suit" pursuant to paragraphs 1-4 above, ends after the Aggregate EPL Limit of Liability has been exhausted by payment of "loss", including "defense costs".
6. "We" shall pay all interest on that amount of any judgment within the Aggregate EPL Limit of Liability:
  - a. which accrues after entry of judgment; and
  - b. before "we" pay, offer to pay, or deposit in court that part of the judgment within the Aggregate EPL Limit of Liability.

These interest payments are included within "our" Aggregate EPL Limit of Liability.

**C. Transfer of Control**

1. "You" may take over control of any outstanding "claim" or "suit" previously reported to "us", but only if "we", in "our" sole discretion, decide that you should, or if a court orders "you" to do so.
2. Notwithstanding subsection 1 of this Clause C, in all events, if the Aggregate EPL Limit of Liability is exhausted, "we" will notify "you" of all outstanding "claims" or "suits" and "you" will take over control of the defense. "We" will help transfer control of the "claims" and "suits" to "you".
3. "We" shall take whatever steps are necessary to continue the defense of any outstanding "claim" or "suit" and avoid a default judgment during the transfer of control to "you". If "we" do so, "we" shall not waive or give up any of "our" rights. "You" shall pay all reasonable expenses "we" incur for taking such steps after the Aggregate EPL Limit of Liability is exhausted.

---

**SECTION II. EXCLUSIONS—WHAT IS NOT COVERED**


---

This insurance does not apply to:

**A. Profit or Advantage**

Any liability arising out of the gaining of any profit or advantage to which an "insured" was not legally entitled. However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage Endorsement, we will defend a "claim" or "suit" asserting that an "insured" gained a profit or advantage to which the "insured" was not legally entitled, until such time as the "insured" is determined to have gained a profit or advantage to which the "insured" was not legally entitled;

**B. Criminal Acts**

Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any "insured". However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage Endorsement we will defend a "claim" or "suit" asserting a dishonest, fraudulent, criminal or malicious act until such time as the "insured" is determined to have committed such dishonest, fraudulent, criminal or malicious act;

The "wrongful employment act(s)" of an "insured" shall not be imputed to any other "insured" for the purpose of determining the applicability of the foregoing exclusions A and B.

**C. "Property Damage"**

Any liability arising out of "property damage";

**D. "Bodily Injury"**

Any liability arising out of "bodily injury";

**E. Worker's Compensation, Social Security and Unemployment, Disability and Retirement Benefits**

Any liability arising out of any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law. This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation";

**F. Contractual Liability**

Any liability arising out of any actual or alleged contractual liability of any "insured" under any express contract or agreement. This exclusion, however, shall not apply to the extent any liability does not arise under such express contract or agreement;

**G. ERISA, COBRA, WARN, OSHA and NLRA**

Any liability arising out of the "insured's" failure to fulfill any responsibility, duty or obligation imposed by the Employment Retirement Income Security Act of 1974 (ERISA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988) (WARN), Occupational Safety and Health Act (OSHA), National Labor Relations Act of 1947 (NLRA), any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar provisions of any federal, state, or local statutory or common law. This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation";

**H. FLSA**

Any liability arising out of any obligation under the Fair Labor Standards Act, or any violations of any federal, state, local or foreign statutory law or common law that governs the same topic or subject and any rules, regulations and amendments thereto (except the Equal Pay Act). This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation";

Any liability arising out of claims for unpaid wages or overtime pay for hours actually worked or labor actually performed by any "employee" of the "insured", for improper payroll deductions or any violations of any federal, state, local or foreign statutory law or common law that governs the same topic or subject and any rules, regulations and amendments thereto.



**I. Non-Monetary Relief**

That part of any "claim" or "suit" seeking any non-monetary relief, including but not limited to: (1) injunctive relief; (2) declaratory relief; (3) disgorgement; (4) job reinstatement; (5) costs or expenses incurred in accommodating any disabled person, pursuant to the Americans with Disabilities Act or 1990 (ADA), including amendments to that law or similar federal, state or local statutory or common law; (6) any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar relating to a "claim" or "suit" alleging discrimination or other "wrongful employment act"; or (7) other equitable remedies, including as to all of the above, the cost of compliance therewith; provided, however, if such request for non-monetary relief is part of an otherwise covered "claim" or "suit", "we" will not seek to allocate "defense costs" for the portion of the "claim" or "suit" seeking non-monetary relief;

**J. Certain "Insureds"**

Any "claim" or "suit" brought by any "insured". This exclusion, however, shall not apply to a "claim" or "suit" brought by an "employee" of the "insured", other than an "employee" who is or was a director of the "insured";

**K. Prior Knowledge**

Any liability arising out of incidents, circumstances or "wrongful employment acts", which an "insured", prior to the "original inception date" as shown in the Supplemental Declarations of this EPL Coverage Endorsement, had knowledge or which an "insured" could have reasonably foreseen might result in a "claim" or "suit";

**L. Prior Notice**

Any liability arising out of the facts alleged, or to the same or "related wrongful employment acts" alleged or contained in any "claim" or "suit" which has been reported, or in any circumstances of which notice has been given, under any policy of which this EPL Coverage Endorsement is a renewal or replacement or which it may succeed in time;

**M. Securities Holder**

Any "claim" or "suit" brought by a securities holder of the "insured" in their capacity as such, whether directly, derivatively on behalf of the "insured", or by class action;

**N. Outside Boards**

Any liability arising out of any actual or alleged act or omission of an "insured" serving in any capacity, other than as a director, officer or "employee" of the "insured" entity.

**SECTION III. WHO IS AN INSURED****A. Individual**

If "you" are shown in the Supplemental Declarations of this EPL Coverage Endorsement as an individual, "you" and "your" spouse are "insureds", only for the conduct of a business of which "you" are the sole owner.

**B. Corporation**

If "you" are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a corporation or organization other than a partnership or joint venture, "you" and "your" subsidiaries are "insureds".

**C. Partnership or Joint Venture**

If "you" are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a partnership or joint venture, "you" are an "insured". "Your" partners or co-venturers and their spouses are also "insureds", but only for the conduct of "your" business.

**D. "Employees"**

"Your" "employees", executive officers and directors are "insureds", only for the conduct of "your" business within the scope of their employment or their duties as executive officers or directors.

**E. Extensions**

1. Subject otherwise to the terms hereof, this EPL Coverage Endorsement shall cover "loss" arising from any "claims" or "suits" made against the estates, heirs, or legal representative of deceased individual "insureds", and the legal representatives of individual "insureds", in the event of incompetency, who were individual "insureds" at the time the "wrongful employment acts", upon which such "claims" or "suits" are based, were committed.
2. Subject otherwise to the terms hereof, this EPL Coverage Endorsement shall cover "loss" arising from all "claims" and "suits" made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an individual "insured", including a "claim" or "suit" that seeks damages recoverable from marital community property, property jointly held by the individual "insured" and the spouse, or property transferred from the individual "insured" to the spouse; provided, however, that this extension shall not afford coverage for a "claim" or "suit" arising out of any "wrongful employment act" of the spouse, but shall apply only to "claims" or "suits" arising out of any "wrongful employment acts" of an individual "insured", subject to this EPL Coverage Endorsement's terms, conditions and exclusions.

---

**SECTION IV. LIMIT OF LIABILITY**  
 (including "defense costs")
 

---

- A.** The Aggregate EPL Limit of Liability shown in the Supplemental Declarations of this EPL Coverage Endorsement and the information contained in this section limits the most "we" shall pay for all "loss" arising out of "claims" and "suits" first made against "insureds" during the "EPL coverage period" or Extended Reporting Period (if applicable), regardless of:
1. the number of persons or organizations covered by this EPL Coverage Endorsement; or
  2. the number of "claims" made or "suits" brought; or
  3. the length of the "EPL coverage period".
- B.** The Aggregate EPL Limit of Liability is the most "we" shall pay for all "losses" covered under this EPL Coverage Endorsement, including amounts incurred for "defense costs".
- C.** The Aggregate EPL Limit of Liability for the Extended Reporting Period shall be part of, and not in addition to the Aggregate EPL Limit of Liability for the "EPL coverage period".
- D.** All "claims" and "suits" arising from the same or "related wrongful employment acts" shall be treated as arising out of a single "wrongful employment act".
- E.** All "claims" or "suits" arising out of one "wrongful employment act" shall be deemed to be made on the date that the first such "claim" is made or "suit" is brought. All "claims" asserted in a "class action suit" will be treated as arising out of a single "wrongful employment act".
- F.** Any "claim" or "suit" which is made subsequent to the "EPL coverage period" or Extended Reporting Period (if applicable) which, pursuant to Section VI, Clause D(3) and (4) is considered made during the "EPL coverage period" or Extended Reporting Period shall also be subject to the one Aggregate EPL Limit of Liability stated in the Supplemental Declarations of this EPL Coverage Endorsement.

---

**SECTION V. DEDUCTIBLE**


---

"You" shall be responsible for the deductible amount shown in the Supplemental Declarations of this EPL Coverage Endorsement with respect to each "claim" and "suit" and "you" may not insure against it. A single deductible amount shall apply to "loss" arising from all "claims" and "suits" alleging the same "wrongful employment act" or "related wrongful employment acts". Expenses "we" incur in investigating, defending and settling "claims" and "suits" are included in the deductible. The deductible is not included within the Aggregate EPL Limit of Liability.

---

**SECTION VI. CONDITIONS**


---

"We" have no duty to provide coverage under this EPL Coverage Endorsement, unless there has been full compliance with all the Conditions contained in this EPL Coverage Endorsement.

**A. Assignment**

The interest of any "insured" is not assignable. "You" cannot assign or transfer "your" interest in this EPL Coverage Endorsement without "our" written consent attached to the EPL Coverage Endorsement.

**B. Bankruptcy or Insolvency**

"Your" bankruptcy, insolvency or inability to pay, will not relieve "us" from the payment of any "claim" or "suit" covered by this EPL Coverage Endorsement.

Under no circumstances will "your" bankruptcy, insolvency, or inability to pay require "us" to drop down, in any way replace, or assume any of "your" obligations with respect to the Deductible provisions of this EPL Coverage Endorsement.

**C. Coverage Territory**

"We" cover "wrongful employment acts" in the United States of America, its territories and possessions, Puerto Rico, or Canada, but only if the "claim" is made and the "suit" is brought for such "wrongful employment act" in the United States of America, its territories and possessions, Puerto Rico, or Canada.

**D. Duties in the Event of an Incident, 'Claim' or 'Suit'**

1. If, during the "EPL coverage period", incidents or events occur which "you" reasonably believe may give rise to a "claim" or "suit" for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with EEOC, DOL or OFCCP (or similar federal, state or local agency); or upon a contemporaneously made memorandum of an oral "claim", allegation or threat, "you" shall give written notice to "us" as soon as practicable and either:
  - a. anytime during the "EPL coverage period" or the Extended Reporting Period (if applicable); or
  - b. within thirty (30) days after the end of the "EPL coverage period" or Extended Reporting Period (if applicable), as long as such "claim" or "suit" is reported no later than thirty (30) days after the date such "claim" or "suit" was first made against an "insured".

2. If a "claim" is made or a "suit" is brought against any "insured", "you" must:
  - a. Immediately record the specifics of the "claim" or "suit" and the date received; and
  - b. Provide "us" with written notice, as described in subsection 3. below, as soon as practicable.
3. Such written notice of "claim" or "suit" shall contain:
  - a. The identity of the person(s) alleging a "wrongful employment act";
  - b. The identity of the "insured(s)" who allegedly were involved in the incidents or events;
  - c. The date the alleged incidents or events took place; and
  - d. The written notice or contemporaneously prepared memorandum referred to above.

If written notice is given to "us" during the "EPL coverage period" or Extended Reporting Period (if applicable), pursuant to the above requirements, then any "claim" or "suit" which is subsequently made against any "insureds" and reported to "us" alleging, arising out of, based upon or attributable to such circumstances or alleging any "related wrongful employment act" to such circumstances, shall be considered made at the time such notice of such circumstances was first given.

4. If "you" submit written notice of a "claim" or "suit", pursuant to this Clause D, then any "claim" or "suit" that may subsequently be made against an "insured" and reported to "us" alleging the same or a "related wrongful employment act" to the "claim" or "suit" for which such notice has been given shall be deemed, for the purpose of this insurance, to have been first made during the "EPL coverage period" in effect at the time such written notice was first submitted to "us".
5. "You" and any other "insured" must:
  - a. Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with any "claim" or "suit";
  - b. Authorize "us" to obtain records and other information;
  - c. Cooperate with "us" in the investigation, settlement or defense of the "claim" or "suit";
  - d. Assist "us", upon "our" request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury or damage to which this insurance may also apply;
  - e. Take no action, or fail to take any required action, that prejudices the rights of the "insureds" or "us" with respect to such "claim" or "suit".

6. No "insureds" will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without "our" prior written consent.

#### **E. Transfer of Rights of Recovery Against Others to 'Us'**

"You" may be able to recover all or part of a "loss" from someone other than "us". "You", therefore, shall do all that is possible after a "loss" to preserve any such right of recovery. If "we" make a payment under this EPL Coverage Endorsement, that right of recovery shall belong to "us". "You" shall do whatever is necessary, including signing documents, to help "us" obtain that recovery.

#### **F. Extended Reporting Period**

1. Solely with respect to this EPL Coverage Part and except as indicated below, if "you" or "we" shall cancel or refuse to renew this EPL Coverage Part, "you" shall have the right, upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage Part, to buy an Extended Reporting Period Endorsement, providing an Extended Reporting Period of one (1) year following the effective date of the cancellation or nonrenewal, in which to give "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Extended Reporting Period for any "wrongful employment acts" which take place after the "original inception date" and before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage Part.

To obtain an Extended Reporting Period Endorsement, "you" must request it in writing and pay the additional premium due, within sixty (60) days of the effective date of cancellation or non-renewal.

2. The Extended Reporting Period Endorsement cannot be canceled by either party, except for nonpayment of premium. The additional premium for the Extended Reporting Period shall be fully earned at the inception of the Extended Reporting Period and this EPL Coverage Part cannot be cancelled after such additional premium is paid. If "we" do not receive the written request as required, "you" may not exercise this right at a later date.
3. This insurance, provided during the Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Extended Reporting Period Endorsement becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.
4. In the event of cancellation by the Insurer for the non-payment of premium, any monies received by the Insurer as payment for the Extended Reporting Period shall be first applied to such premium owing for the policy. The Extended Re-

porting Period will not take effect until the premium owing for the policy is paid in full and the premium owing for the Extended Reporting Period is paid promptly when due.

5. In the event of a "Transaction", as defined in Clause G below, the "named insured" shall have the right, within sixty (60) days before the end of the "EPL coverage period", to request an offer from "us" of an Extended Reporting Period (with respect to "wrongful employment acts" which take place after the "original inception date" and prior to the effective time of the "Transaction"). We shall offer such Extended Reporting Period pursuant to such terms, conditions, and premium as we may reasonably decide. In the event of a "Transaction", the right to an Extended Reporting Period shall not otherwise exist except as indicated in this paragraph.

#### **G. Change in Control of 'Named Insured'**

If during the "EPL coverage period":

1. the "named insured" shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
2. any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty (50%) percent of the voting power for the election of directors or General Partners of the "named insured" (in the event the "named insured" is a Partnership), or acquires the voting rights of such an amount of such securities; or
3. a General Partner of the "named insured" (in the event the "named insured" is a partnership) withdraws, resigns or is terminated;

*(any of the above events herein referred to as the "Transaction"),*

then this EPL Coverage Endorsement shall continue in full force and effect as to "wrongful employment acts" occurring after the "original inception date" and prior to the effective time of the "Transaction", but there shall be no coverage afforded by any provision of this EPL Coverage Endorsement for any actual or alleged "wrongful employment acts" occurring after the effective time of the "Transaction". This EPL Coverage Endorsement may not be canceled after the effective time of the "Transaction" and the entire premium for this EPL Coverage Endorsement shall be deemed earned as of such time. "You" shall also have the right to an offer by "us" of an Extended Reporting Period described in Clause F of this EPL Coverage Endorsement.

"You" shall give "us" written notice of the "Transaction" as soon as practicable, but not later than thirty (30) days after the effective date of the "Transaction".

#### **H. Legal Action Against 'Us'**

No person or organization has the right to join "us" as a party or otherwise bring "us" into a "suit" asking for damages from an "insured".

#### **I. Other Insurance**

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this EPL Coverage Endorsement shall be primary.

#### **J. EPL Coverage Endorsement Changes**

This EPL Coverage Endorsement contains all the agreements between "you" and "us" concerning this insurance. The first "named insured" in the Supplemental Declarations of this EPL Coverage Endorsement is authorized to request changes in this EPL Coverage Endorsement. This EPL Coverage Endorsement can only be changed by a written endorsement "we" issue and make part of this EPL Coverage Endorsement.

#### **K. Representations**

Any and all relevant provisions of this EPL Coverage Endorsement may be voidable by "us" in any case of fraud, intentional concealment, or misrepresentation of material fact by any "insured".

#### **L. Special Rights and Duties of the 'Named Insured'**

"You" agree that when there is more than one person and/or entity covered under this EPL Coverage Endorsement, the first "named insured" in the Supplemental Declarations of this EPL Coverage Endorsement shall act on behalf of all "insureds" as to:

1. Giving of notice of a "claim" or "suit";
2. Giving and receiving notice of cancellation or nonrenewal;
3. Payment of premiums and receipt of return premiums;
4. Acceptance of any endorsements issued to form a part of this EPL Coverage Endorsement; or
5. Purchasing or deciding not to purchase the Extended Reporting Period Endorsement.

#### **M. Headings**

The descriptions in the headings of this EPL Coverage Endorsement are solely for convenience, and form no part of the terms and conditions of coverage.



**SECTION VII. DEFINITIONS**

- A. "Bodily injury" means physical injury, sickness, or disease, including death resulting therefrom.
- B. "Claim" means a written demand for money. The term "claim" shall also mean an Equal Employment Opportunity Commission (EEOC), Department of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency) proceeding or investigation commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to "you". However, in no event, shall the term "claim" include any labor or grievance proceeding, which is subject to a collective bargaining agreement.
- C. "Class Action Suit" means any suit seeking certification or certified as a class action by a federal or state court.
- D. "Defense Costs" means reasonable and necessary fees, costs and expenses consented to by "us" resulting solely from the investigation, adjustment, defense and appeal of a "claim" or "suit" against "you".
- E. "Employee" means an individual whose labor or service is engaged by and directed by "you" for remuneration, whether such individual is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal, and temporary "employees". Independent contractors and individuals who are leased to the "insured" are not "employees".
- F. "Loss(es)" means damages (including front pay and back pay), judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by "us", statutory attorney fees, and "defense costs"; however, "loss" shall not include: (1) civil or criminal fines or penalties imposed by law; (2) punitive or exemplary damages; (3) the multiplied portion of multiplied damages; (4) taxes; (5) any amount for which the "insureds" are not financially liable or which are without legal recourse to the "insureds"; (6) employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation; or (7) matters which may be deemed uninsurable under the law pursuant to which this EPL Coverage Endorsement shall be construed.
- G. "Named Insured" means the person or organization designated in the Supplemental Declarations page of this EPL Coverage Endorsement.
- H. "Original inception date" refers to the date specified in the Supplemental Declarations of this EPL Coverage Endorsement.
- I. "EPL coverage period" means the period commencing on the effective date shown in the Supplemental Declarations of this EPL Coverage Endorsement. This period ends on the earlier of the expiration date or the effective date of cancellation of this EPL Coverage Endorsement. If "you" became an "insured" under this EPL Coverage Endorsement after the effective date, the "EPL coverage period" begins on the date "you" became an "insured".
- J. "Property Damage" means physical injury to, or destruction of, tangible property including the loss of use of thereof, or loss of use of tangible property, which has not been physically injured or destroyed.
- K. "Related Wrongful Employment Act(s)" means "wrongful employment acts" which are the same, related or continuous, or "wrongful employment acts" which arise from a common nucleus of facts. "Claims" or "suits" can allege "related wrongful employment acts", regardless of whether such "claims" or "suits" involve the same or different claimants, "insureds" or legal causes of actions.
- L. "Retaliation" means a "wrongful employment act" of an "insured" alleged to be in response to, the actual or attempted exercise by an "employee" of any right that such "employee" has under the law. Provided, however, "retaliation" shall not include the "wrongful employment act" of an "insured" alleged to be in response to the threat of or the actual filing of any claim or suit under the Federal False Claims Act or any other federal state, local or foreign "whistle-blower law".
- M. "Subsidiary" means:
  1. Any for-profit organization which, on or before the inception of the "EPL coverage period", is more than 50% owned by the "named insured", either directly or indirectly through one or more of its "subsidiaries"; or
  2. A for-profit organization which becomes a "subsidiary" during the "EPL coverage period", but only upon the condition that within 90 days of its becoming a "subsidiary", the "named insured" shall have provided "us" with full particulars of the new "subsidiary" and agreed to any additional premium or amendment of the provisions of this EPL Coverage Endorsement required by "us" relating to such new "subsidiary". Further, coverage as shall be afforded to the new "subsidiary" is conditioned upon the "named insured" paying when due any additional premium required by "us" relating to such new "subsidiary".



An organization becomes a "subsidiary" when the "named insured" owns more than fifty (50%) percent ownership interest in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries". An organization ceases to be a "subsidiary" when the "named insured" ceases to own more than a fifty (50%) percent ownership in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries".

In all events, coverage as is afforded under this EPL Coverage Endorsement with respect to a "claim" made or "suit" brought against any "subsidiary" or an "insured" of any "subsidiary", shall only apply to "wrongful employment act(s)" commenced or allegedly commenced after the effective time that such "subsidiary" became a "subsidiary", and prior to the time that such "subsidiary" ceased to be a "subsidiary".

- N.** "Suit" means a civil proceeding or an administrative proceeding seeking money damages, and includes an arbitration, mediation or any other alternative dispute resolution procedure seeking such damages, to which the "insured" must submit or may submit with "our" consent. "Suit" shall not include any civil proceeding or administrative proceeding arising from any labor or grievance dispute which is subject to a collective bargaining agreement.
- O.** "Whistleblower law" means a statute, rule or regulation, which protects an employee against discrimination from his or her employer, if the employee discloses or threatens to disclose to a superior or any governmental agency; or who gives testimony relating to, any action with respect to the employer's operations, which may be a violation of public policy as reflected in legislation, administrative rules, regulations or decisions, judicial decisions, and professional codes of ethics.

- P.** "Wrongful Employment Act(s)" means any actual or alleged:
1. wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
  2. harassment (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);
  3. discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
  4. "retaliation" (including lockouts);
  5. employment-related misrepresentation(s) to "your" "employee" or applicant for employment with "you";
  6. employment-related libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy;
  7. wrongful failure to employ or promote;
  8. wrongful deprivation of career opportunity, wrongful demotion or negligent "employee" evaluation, including the giving of negative or defamatory statements in connection with an "employee" reference;
  9. wrongful discipline;
  10. failure to grant tenure;
  11. failure to provide or enforce adequate or consistent corporate policies and procedures relating to any "wrongful employment act";
  12. negligent supervision or hiring by an "insured", relating to any of the above;
  13. violation of an individual's civil rights relating to any of the above.

**BUSINESSOWNERS**  
**BPM 3112 1207**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT – AGGREGATE LIMITS OF INSURANCE (PER PREMISES)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section II – Liability** is amended as follows:

Under **Paragraph D.4.b Liability And Medical Expenses Limits Of Insurance**, the aggregate limit for all "bodily injury" and "property damage" other than "bodily injury" or "property damage" included in the "products-completed operations hazard" applies separately to each of the premises owned by or rented to you.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITED PERSONAL PROPERTY AND LOST KEYS OF OTHERS (LIABILITY)**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

Subject to the provisions of the **Businessowners Coverage Form Section II - Liability**, the following is made part of this policy:

As respects your work, Section **B, Exclusions k(3), k(4) and n.** are amended as follows:

- k. (3)** Property loaned to you;
- k. (4)** Personal property in the care, custody or control of the insured:

This exclusion does not apply to loss or damage of personal property in your care, custody or control and caused by you in your business.

- n.** "Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1)** A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2)** A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use or to lost keys of others loaned to you in your business.

As respects your work, Section **C. Who is an Insured**, is amended as follows:

Paragraph **2.a.(2)(b)** does not apply to loss or damage to personal property in your care, custody or control and caused by you in your business.

Section **D. Liability and Medical Expenses Limit of Insurance** is amended by adding the following:

- (5)** The limit of insurance for property damage to personal property of others resulting from your business is \$5,000 each "occurrence", \$10,000 aggregate.
- (6)** The limit of insurance for lost keys of others loaned to you or in your care, custody or control in your business is \$1,000 each "occurrence", \$2,500 aggregate.

The limit of insurance applies only to the actual cost of the keys, the cost to adjust the locks to accept new keys, and the cost of new locks, including their installation.

The above coverage and limits of liability are subject to a deductible of \$250 each "occurrence".

**BUSINESSOWNERS**  
**BP 01 42 01 06**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA CHANGES**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

#### **A. Section I – Property** is amended as follows:

1. The following is added to Paragraph **E.5. Loss Payment** Property Loss Condition and supercedes any provision to the contrary:

#### **NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM**

1. Except as provided in **3.** below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:
  - a. Accept your claim;
  - b. Deny your claim; or
  - c. Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in **1.c.** above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.
3. The notice procedures in **1.** and **2.** above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

2. The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind or quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained a partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

#### **B. Section III – Common Policy Conditions** is amended as follows:

1. Paragraph **A. Cancellation** is replaced by the following:

##### **A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.
2. **Cancellation Of Policies In Effect For Less Than 60 Days**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. **Cancellation Of Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.

- b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.
  - c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
  - d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
  - e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
  - f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.
- 4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
  - 5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  - 6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.
  - 7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.
2. Paragraph **K. Transfer Of Your Rights And Duties Under This Policy** is replaced by the following:
- K. Transfer Of Your Rights And Duties Under This Policy**
- Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.
- If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.
- If you die, this Policy will remain in effect as provided in 1. or 2. below, whichever is later:
- 1. For 180 days after your death regardless of the policy period shown in the Declarations, unless the insured property is sold prior to that date; or
  - 2. Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.
- Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.



3. The following paragraphs are added and supersede any provisions to the contrary:

**M. Nonrenewal**

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

**N. Increase Of Premium**

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

**BUSINESSOWNERS**  
**BP 01 91 07 02**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA NOTICE**

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. To consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

### **Instruction to Policy Writers**

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

**BUSINESSOWNERS**  
**BP 04 17 07 02**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to Paragraph **B. Exclusions** in **Section II - Liability**:

This insurance does not apply to:

1. "Bodily injury" or "personal and advertising injury" to:
  - a. A person arising out of any:
    - (1) Refusal to employ that person;
    - (2) Termination of that person's employment; or
    - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
  - b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above is directed.
2. This exclusion applies:
  - a. Whether the insured may be liable as an employer or in any other capacity; and
  - b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

POLICY NUMBER: MPZ9088B

BUSINESSOWNERS  
BP 04 19 01 06**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****AMENDMENT – LIQUOR LIABILITY EXCLUSION –  
EXCEPTION FOR SCHEDULED ACTIVITIES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

|  |
|--|
| <b>Description Of Activity(ies):</b>   |
|  |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |

Paragraph **B.1.c. Exclusions** in **Section II – Liability** is replaced by the following exclusion:

This insurance does not apply to "bodily injury" or "property damage" for which any insured may be held liable by reason of:

- a.** Causing or contributing to the intoxication of any person;
- b.** The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c.** Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1)** Manufacture, sell or distribute alcoholic beverages;
- (2)** Serve or furnish alcoholic beverages for a charge whether or not such activity:
  - (a)** Requires a license;
  - (b)** Is for the purpose of financial gain or livelihood; or
- (3)** Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

However, this exclusion does not apply to "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages at the specific activity(ies) described above.

**BUSINESSOWNERS**  
**BP 04 54 01 06**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEWLY ACQUIRED ORGANIZATIONS**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following is added to Paragraph **C. Who Is An Insured** in **Section II – Liability**:

- 3.** Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

**b.** Paragraph **A.1. Business Liability** does not apply to:

- (1)** "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- (2)** "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations.



**BUSINESSOWNERS**  
**BP 05 17 01 06**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – SILICA OR SILICA-RELATED DUST**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

- A.** The following exclusion is added to Paragraph **B. Exclusions** in **Section II – Liability**:

**B. Exclusions**

This insurance does not apply to:

**SILICA OR SILICA-RELATED DUST**

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
3. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

4. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- B.** The following definitions are added to Paragraph **F. Liability And Medical Expenses Definitions** in **Section II – Liability**:

1. "Silica" means silicon dioxide, (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

**BUSINESSOWNERS**  
**BP 05 77 01 06**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION (LIABILITY)**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following provisions are added to **Section II – Liability**:

**A. The following exclusion is added to Paragraph B.1., Exclusions – Applicable To Business Liability Coverage:**

**t. Fungi Or Bacteria**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

**B. The following definition is added Paragraph F. Liability And Medical Expenses Definitions:**

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

**BUSINESSOWNERS**  
**BP 05 98 01 06**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF INSURED CONTRACT DEFINITION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

Paragraph **F.9. Liability And Medical Expenses Definitions** is replaced by the following:

**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

BUSINESSOWNERS  
BP 07 02 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT - AGGREGATE LIMITS OF INSURANCE (PER PROJECT)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM


**Section II - Liability** is amended as follows:

Under Paragraph **D.4.b Liability And Medical Expenses Limits Of Insurance**, the aggregate limit for all "bodily injury" and "property damage" other than "bodily injury" or "property damage" included in the "products-completed operations hazard" applies separately to each of your projects away from premises owned by or rented to you. A separate aggregate will apply for projects at premises owned by or rented to you.

**MAIN STREET AMERICA  
ASSURANCE COMPANY**

**Main Street America Assurance Company is a stock insurance company with headquarters located at:**

**4601 Touchton Road East, Suite 3400  
Jacksonville, FL**

A handwritten signature in cursive script that reads "Susan E. Mack".

**Susan E. Mack  
Secretary**

A handwritten signature in cursive script that reads "Tom Van Berkel".

**Thomas M. Van Berkel  
President**

**60-N180 (01/08)**



## **Important Information Regarding Your Insurance Policy**

### **Your Policy Premium - Audits**

The premium you were charged for your policy was an estimate because it is based on payroll and/or sales receipt amounts, which fluctuate throughout the year. As the premium was estimated, your policy may be subject to an audit at the end of the coverage period to determine whether the premium accurately represented your actual payroll and/or sales receipt amounts. Please be aware that this audit could result in an additional premium charge or a refund.

### **Certificates of Insurance**

If contractors perform work for you, it is important that you obtain a certificate of insurance from them proving they have valid Workers' Compensation insurance for the state in which they executed the work. Most state Workers' Compensation regulations require that your insurer charge you for coverage when there is no proof that the contractor carries valid insurance.

For General Liability, the contractor's limits must be equal to your limits or at least \$500,000 per occurrence/\$1 million in aggregate. If no certificate is available, and/or your contractor does not meet the described limit of liability requirements, we will charge you full liability rates.

### **Payroll Classifications**

To help you control insurance costs, it is important that you keep records for your specific operations.

For example, many contracting classifications allow division of payroll by type of work when separate payroll records are maintained. The same applies to certain products, allowing the receipts or payroll for installation or service to apply at different rates. Estimates and percentages cannot be used – your records must reflect actual payroll by type of work. Without this recordkeeping, we must charge the highest rated classification.

### **Other Payroll Information**

Many policies base premiums on payroll. This includes wages, commissions, bonuses, overtime, paid holidays, sick time, vacation, fair market value of food or lodging furnished by the employer or allowance for tools furnished by employees and used in their work.

Many states also permit an overtime deduction which varies if time and a half or double time is paid. Be certain to keep payroll records documenting such payments.

If you are the sole proprietor or executive officer of your business and are covered under your policy, please keep this information separate because you may be subject to a payroll limitation or a fixed payroll regardless of your actual earnings.

---

The Main Street America Group would like to thank you for your business. If you have any questions regarding your insurance policy, please contact your independent agent.

**NGM Insurance Company  
Old Dominion Insurance Company  
The Main Street America Assurance Company  
MSA Insurance Company**

## **PRIVACY NOTICE**

As your insurer, our objective is to professionally serve your insurance needs. We recognize that in providing these services, we have an obligation to safeguard the personal information you entrust to us as well as other information we may collect as part of the insurance transaction.

This notice describes the privacy practices and standards we adopted to protect and ensure the confidentiality of your non-public personal information. All of our insurance companies listed above adhere to these practices and standards.

### **OUR POLICY**

**We do not disclose any non-public personal information about our policyholders or claimants to any third parties except as permitted by law. Any such disclosures are made for the purpose of transacting the business of your insurance coverage or your claim. We do not sell or market your non-public personal information.**

### **THE INFORMATION WE COLLECT**

Most of your non-public personal information is provided by you on your application for insurance. Depending on the type of insurance policy you request, we may seek additional information about you or other individuals who are being proposed for coverage under the policy. In certain circumstances we may collect information about you from third parties. For example, for automobile insurance we may seek driver information from the state motor vehicle department; for property insurance we may send someone to inspect the property. We may review prior insurance claims information. We may obtain medical or financial information. We may also receive information about you from a consumer reporting agency. The information we collect allows us to properly underwrite and rate your insurance policy and to complete the other transactions incidental to your insurance policy.

### **THE INFORMATION WE DISCLOSE**

We do not disclose any non-public information about you or about participants or claimants under your insurance policy to anyone, except as permitted by law, nor do we sell customer or policyholder information to mailing list companies or mass marketing companies. We may share information about you or about participants or claimants under your insurance policy in the normal business of conducting insurance operations, such as with your agent or broker; appraisers and independent adjusters who investigate, defend or settle your claims; insurance regulators; and your mortgage lender or lienholder.

### **HOW WE PROTECT YOUR PERSONAL INFORMATION**

We restrict access to non-public personal information about you or about participants and claimants under your insurance policy to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your non-public personal information. Our employees are educated on the importance of maintaining the standards we have in place.

We also use a wide variety of data protection procedures, computer hardware and software tools to guard system and data privacy and integrity. Our computer systems are also protected by additional measures intended to prevent unauthorized access.

### **ADDITIONAL INFORMATION**

If you would like to receive a copy of our privacy policy please contact us as follows:

Main Street America Group  
ATTN: Privacy Compliance Coordinator  
55 West Street  
Keene, NH 03431

These privacy practices and standards have been put in place to protect your personal information. You will receive a reaffirmation of our privacy practices annually.

**Policy Number: MPZ9088B**

**Named Insured:**

ADVANCED PLASTERING INC  
516 GREEN HILL LN  
EAST NORRISTON PA 19401-1364

Re: Terrorism Risk Insurance Program Reauthorization Act of 2007

Dear Policyholder,

On December 26, 2007 the President signed into law the Terrorism Risk Insurance Program Reauthorization Act of 2007. This updated the original 2002 program and the 2005 extension and extends the act through 2014. **Please note that you do not need to do anything regarding this coverage – it is provided to you at no additional cost.**

On the reverse side of this notice is a Policyholder Disclosure Notice of Terrorism Insurance, which provides essential information regarding the changes to the act and refers to the premium charged for this coverage.

If there are any questions regarding the Terrorism Risk Insurance Program Reauthorization Act of 2007 or your coverage under the Act contact your independent agent.

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

This Notice has been prepared in conjunction with the implementation of changes related to coverage of terrorism under your policy. Coverage for acts of terrorism, as defined, is included in your policy at no additional cost.

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to revised provisions in the terrorism endorsement in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy.

**CHANGE IN THE DEFINITION OF CERTIFIED ACTS OF TERRORISM  
AND  
INFORMATION ON LIMITATIONS ON FEDERAL AND INSURER LIABILITY**

Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, coverage for "certified acts of terrorism" now encompasses, for example, an act committed against the United States government by a United States citizen, when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program. Coverage is subject to all policy exclusions (for example, nuclear hazard and war exclusions) and other policy provisions.

The government may participate in paying for some of the losses from a "certified act of terrorism". However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. Further, this coverage is subject to a limit on our liability pursuant to the federal law, that is, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Refer to the terrorism endorsement for the definition of "certified acts of terrorism." Refer to the endorsement, and to the rest of the insurance contract, for provisions that govern coverage for, or that exclude coverage for, losses arising from terrorism.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$[REDACTED], and does not include any charges for the portion of losses covered by the United States government under the Act.

### **Important Information for Contractors**

The Main Street America Group requires a "Hold Harmless" agreement to be signed by each contractor you engage to do work on your behalf if your payroll is more than \$250,000 a year.

A Hold Harmless agreement is also required to be signed by any subcontractors who subcontract any portion of their work to others.

While only required for contractors with annual payroll of more than \$250,000, we strongly recommend that obtaining a Hold Harmless agreement become part of all contractors' established business practice to protect your business interests and preserve your insurance coverage. You should retain this document for five (5) years.

On the reverse side, we have provided a sample Hold Harmless agreement. If you prefer, you may use an agreement recommended by your attorney as long as it contains similar language.

**SEE REVERSE SIDE**

**INDEMNIFICATION, HOLD HARMLESS AND INSURANCE AGREEMENT**

**A. INDEMNIFICATION AND HOLD HARMLESS**

To the fullest extent permitted by law,

\_\_\_\_\_, ("Subcontractor"),  
agrees at its own cost to defend, indemnify and hold harmless

\_\_\_\_\_, ("Contractor"), its officers, directors, shareholders, agents, representatives, managers, employees and affiliates from and against any and all claims, suits, liens, judgments, damages, losses and expenses including reasonable attorney fees and legal expenses and costs arising in whole or in part and in any manner from the acts, omissions, breach or default of Subcontractor, in connection with the performance of any work by Subcontractor, its officers, directors, agents, employees and subcontractors. This agreement is continuous until terminated by either party with written notice.

**B. INSURANCE**

- Subcontractor hereby agrees that it will obtain and keep in force an insurance policy/policies to cover its liability hereunder and to defend and save harmless Contractor in the minimum amount of \$500,000 per occurrence for personal injury, bodily injury and property damage.
- Said liability policies shall 1) name Contractor as an Additional Insured and 2) be primary and non-contributory to any other insurance policies which provide insurance protection to Contractor.
- Subcontractor will obtain and keeping force Workers Compensation insurance including Employers Liability to the full statutory limits.
- Subcontractor shall furnish to Contractor certificates of insurance evidencing that the aforesaid insurance coverage is in force.

SUBCONTRACTOR: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_